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South Africa's prime minister, Pieter W. Botha

Afrikaners Are Torn By Forces of Change

Pressure to Ease Strict Apartheid Is Resisted by New Rightist Party

By Glenn Frankel
 Washington Post Service

The Afrikaners A Tribe Divided

First of four articles

Afrikaner faithful marking the 36th anniversary of their rise to political power. Afrikaans, he told the crowd, must "come out of the laager," the Afrikaans term for the circle of wagons. Continued isolation, he warned, will subject white-ruled South Africa to a future of "so many boycotts, lack of good will, and so much resentment that it will choke in its loneliness. I do not believe this is the right path to take."

It was a revealing admission from the political leader of Africa's white tribe, a self-styled "chosen people" who rule the

country despite constituting only 16 percent of the country's 22 million people. During the past four decades they have constructed the world's most rigid system of legalized racial segregation, known as apartheid.

For generations, the Dutch-descended Afrikaners have prided themselves on their toughness, their unity and their willingness to stand defiantly alone against both the black majority within their borders and a critical world outside. They are, in the words of the historian Hermann Giliomee, himself a member of the tribe, "politically the loneliest people in the world."

The subtle shift in attitude suggested in Mr. Botha's speech is one of several important changes that have quietly begun to alter the political and social face of Afrikanerdom.

The most visible of these changes is the rise of a new rightist movement that has broken ranks with Mr. Botha's ruling "chosen people" who rule the

McNamara Assails Reagan's Policy on Population Growth

By David Treadwell
 Los Angeles Times Service

WASHINGTON — Robert S. McNamara, former president of the World Bank, has criticized the Reagan administration's policy of denying financial aid to family planning groups that support abortion as a means of curbing population growth.

Mr. McNamara spoke on the eve of the second United Nations-sponsored International Conference on Population, which opened Monday in Mexico City. He called the administration's policy "very, very unfortunate."

"It will lead to more abortions," he said, "because such organizations as International Planned Parenthood, now substantially dependent on U.S. funding, will no longer receive U.S. funds, and yet it is one of the most effective forces in the world for population planning."

Mr. McNamara, in a television interview, said that unless something was done to bring down the explosive rates of population growth, many Third World countries would suffer disastrous political and economic upheavals.

He took issue with the administration's argument that the world was overreacting to the population problem, an argument that U.S. officials are expected to reiterate at the Mexico City conference.

A U.S. policy paper prepared for the conference says that too much government control and planning in Third World countries has held back economic growth that could have led to a birth rate decline. It emphasizes "sound economic poli-

cies" over a policy to intervene to reduce population growth.

"Americans will be laughed out of the conference if they stress that theme," Mr. McNamara said. "It's absurd."

However, James L. Buckley, the former Republican senator from New York, said on the same program that he does not "expect flak" over the administration's position. Mr. Buckley heads the U.S. delegation to the conference.

"There'll be 85 questions before this conference having to do with almost everything except economic development," he said. "But we feel the responsibility to state our honest belief as to what direction countries should go if they want to be able to cope with the larger number of people they will be having."

Mr. Buckley, citing the example of the former British colony of Singapore, said population growth could be beneficial in some cases and that economic development was the key to dealing with it.

This is a position similar to the stance adopted by the developing nations at the first International Population Conference in Bucharest 10 years ago. "Development," a final declaration at Bucharest declared, "is the best contraceptive."

U.S. Policy Criticized

William A. Orme Jr. of The Washington Post reported from Mexico City.

Some delegates at the population conference voiced resentment at what they viewed as a U.S. attempt to dictate international population control strategies.

Geronimo Martinez, the head of Mexico's state-run National Popu-

U.S. Budget Deficits Will Stay High Despite Election Results, Experts Say

By Peter T. Kilborn
 New York Times Service

WASHINGTON — Based on what they have said in the election campaign about taxes and spending, neither President Ronald Reagan nor Walter F. Mondale would significantly reduce the government's record budget deficits, according to many of the nation's leading economic forecasters.

The economists, weighing the candidates' statements against trends in the economy and attitudes in Congress, predict that annual deficits would remain at the stubbornly high \$200-billion level through the 1990s.

"Essentially, we think that there would be little significant impact on the deficits, regardless of the outcome of the election," said M. Kathryn Eickhoff, executive vice president of Townsend-Greenspan, a New York forecasting firm.

To most economists the current Reagan administration budget deficits, which are triple those of any previous administration, are the greatest menace to the economy since the surging oil prices of the 1970s. Now the deficits, and whether to raise taxes to bring them down, are the dominant economic issue of the presidential campaign.

Mr. Mondale, at the Democratic National Convention last month, pledged to raise taxes and, by the end of his four-year term, to reduce the deficit by the 1989 fiscal year by two-thirds.

"I will propose no increase in

personal income taxes," Mr. Reagan said Saturday, "and I will veto any tax bill that would raise personal tax rates for working Americans."

Mr. Reagan said the deficit

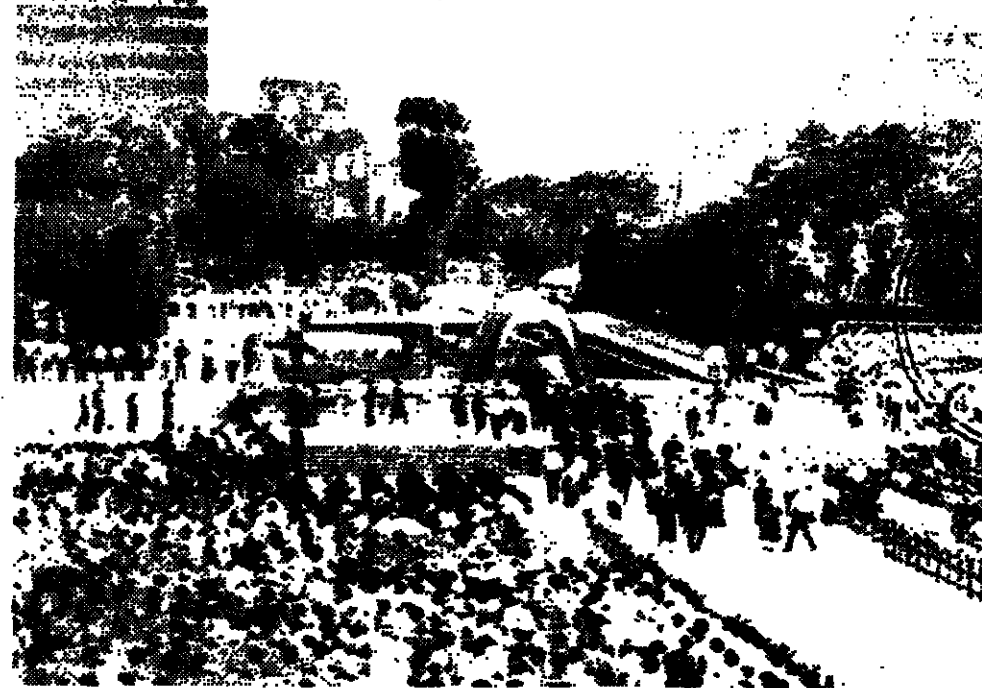
Walter Mondale stresses the U.S. budget and trade deficits in a radio address. Page 3.

could be reduced through cost savings and the growing revenues the government would collect from a continuing strong economy. This position has little support among economists beyond a small but vocal group whose members include officials in the Treasury Department, the White House and a half-dozen outside advisers to the administration.

Most of this year's expected deficit of \$175 billion is caused by the gap between rising government spending and the shortage in revenues resulting from the Reagan tax cuts.

In a second Reagan term, many economists contend, this "structural" deficit would remain. And because of its burden on interest rates and the cost of carrying the national debt, the economists say they are convinced that it would force Mr. Reagan to raise taxes. Several senior administration officials privately concede as much.

But only Mr. Mondale has publicly committed himself to tax increases. As a result, economists are



People gathered in Hiroshima's Peace Park on Monday to mark the 1945 attack.

Hiroshima Commemorates Attack; Mayor Assails 'Reckless' Arms Race

Compiled by Our Staff From Dispatches

HIROSHIMA, Japan — More than 40,000 people took part Monday in a ceremony at Peace Park on the 39th anniversary of the world's first atomic bomb attack.

At 8:15 A.M., at the time the U.S. aircraft, Enola Gay, dropped the bomb Aug. 6, 1945, two men swung a wooden boom against a bell. The tolling was followed by one minute of silent prayer observed across the city as buses, taxis and trains came to a halt. Afterward, factory sirens sounded.

An estimated 118,000 people died from the heat, blast and radiation of the bomb, and 60,000 more

died of the bomb's effects in the next five years. Three days after the bombing, a second U.S. atomic bomb was dropped on Nagasaki, Japan, killing an estimated 78,000.

On Aug. 14, Japan surrendered, ending World War II.

Hiroshima's mayor, Takeshi Araki, in a speech at Peace Park, said the United States and the Soviet Union were pursuing "a reckless nuclear arms race towards oblivion."

He condemned the stationing of new missiles in Europe and Asia and said that by extending nuclear strategy into space, the superpowers were "pushing the world towards the brink of war."

Mr. Araki said, "The spirit of Hiroshima has permeated the whole world."

"Popular campaigns against nuclear arms have arisen spontaneously," he said, "and we solemnly urge the nuclear powers to heed this international outcry."

One anti-nuclear group issued pamphlets accusing the mayor of lukewarm opposition to nuclear weapons.

"He should be critical of the Tomahawk missiles being carried through Japanese waters and especially their being allowed to stop at Japanese ports," the pamphlet said, referring to the deployment of U.S. cruise missiles on Pacific Fleet ships.

Large numbers of people in Peace Park wore shirts inscribed "No to Tomahawk."

Also on Monday, the names of 2,573 persons who survived the atomic attack and have died in the past 12 months were added to the memorial honoring Hiroshima vic-

tims. The memorial reads: "Rest in Peace, the Mistake Shall Not be Repeated."

The number of names now totals 113,271.

City officials said it was not certain how many of those whose names were entered Monday had died from the effects of radiation.

Prime Minister Yasuhiro Nakasone will attend the Nagasaki memorial Thursday. (Reuters, AP)

Rallies in U.S. and Europe

Demonstrations calling for a ban on nuclear weapons were held Monday in the United States and Western Europe, news agencies reported.

In New York, four members of Greenpeace, the environmental group, scaled scaffolding on the Statue of Liberty and unfurled a banner calling for an end to the testing of nuclear weapons.

In Los Angeles, 5,000 peace activists rallied to mark the anniversary of the dropping of the first atomic bomb on Japan.

In London, seven women from the peace camp at Greenham Common Airbase climbed onto a theater just off Trafalgar Square and held a three-hour protest. The theater re-creates for tourists many aspects of conflicts, especially World War II.

Three East German patrol boats surrounded a Greenpeace boat in international waters Monday, forcing it to halt en route to an East German port, Monika Griefahn, a spokeswoman, said the boat had planned to dock at Rostock for the Hiroshima anniversary as part of an anti-nuclear campaign. (AP, UPI)

New York Stocks Gain in Near-Record Trading

United Press International

NEW YORK — The New York stock exchange, after surging at its outset, was holding a modest gain late Monday as some investors took profits in the second heaviest trading on record.

The Dow Jones industrial average, up 23 at the outset, was ahead 30 to 1,207.38 an hour before the close. It rose 36 Friday and a record 746 overall last week.

After five hours, volume was 75.5 million shares, second only to a record 202.92 million in the corresponding period Friday.

Brokers said the fact that the Dow had risen 92.10 over the previous four sessions made the market susceptible to profit-taking. But they said the Dow appeared headed for a test of its 1984 high of

1,286.64 set Jan. 5, which is not far from the all-time mark of 1,287.20 set Nov. 29, 1983.

The New York Stock Exchange index was ahead 0.41 to 93.64 and the price of an average share was up 14 cents. Advancing stocks led declining ones by a ratio of more than 2 to 1.

[Closing stock market prices and averages start on Page 10.]

Analysis said the rally that began July 25 has been based on hopes that interest rates will decline in the near future now that the economy shows signs of slowing down from its blistering first half.

Some traders were disturbed that overnight federal funds rates climbed to 11 1/2 percent from about

Pressure for Change Brings Brazil to the Brink of Democracy

By Juan de Onis
 Los Angeles Times Service

BRASILIA — "I swear that I will make a democracy out of this country," João Baptista Figueiredo said in 1979, when he became the 13th successive military president of Brazil.

Now, as General Figueiredo's four-year term approaches its end, the promise of restoring full democracy is close to becoming a reality in this country of 130 million people, the largest in Latin America.

The two major political parties are having national conventions in quick succession between Friday and Sunday. One of the two presidential candidates who will emerge to be elected General Figueiredo's successor on Jan. 15 by a electoral college of 686 members.

There are many indications that a candidate of an opposition party, Governor Tancredino Neves of the state of Minas Gerais, could win in the electoral college. That could be the biggest political change in Brazil in a generation, since the military takeover of 1964.

The presidential succession is internationally significant, for economic as well as political reasons. Brazil, which has one of the world's 10 biggest economies, has the largest foreign debt of any developing nation, almost \$100 bil-

lion. Banks all over the world, but particularly in the United States, are owed parts of the foreign debt. A change of political leadership would be a major factor in how the economy is to be managed and how the government is to negotiate with its creditors.

In political terms, Brazil is a regional leader, comparable to India in Asia or Nigeria in Africa. The consolidation of democratic government in Latin America, where a shift is under way from authoritarian military regimes toward elected, constitutional governments, will be influenced by Brazil's example.

In most cases, the military rulers have stepped down after generating growing civilian opposition due to economic crises, corruption and repression.

The Brazilian armed forces took power in 1964 with the overthrow of the leftist regime of President João Goulart, a labor-backed political leader who became president when President Janio Quadros resigned five months after taking office in 1961.

For 20 years, the armed forces determined every five years which senior general would be president and dutifully elected him by means of the electoral college. If the politicians in Congress disobeyed military orders, they were dismissed



João Baptista Figueiredo

from office under the president's emergency powers, or Congress was simply sent into recess while the government ruled by decree.

General Figueiredo's pledge to restore democracy was based on the military's decision to abandon such authoritarian methods. The severe economic crisis that hit Brazil in 1981 further weakened the military's will to retain power. The alternative was what is known in

Brazilian politics as an *abertura*, or opening, with restoration of democratic constitutional government as its expression.

The election will be important, above all, for the Brazilian people, who have been living through the worst economic recession since the 1930s. The booming growth that raised production 10 percent a year during a period of rapid industrialization a decade ago ended in 1982. Workers and the middle class have lost ground as inflation has soared beyond 200 percent a year and purchasing power has shrunk. Poverty has spread, with declines in investment in health, housing and education.

The demand for political change mobilized the biggest public demonstrations in Brazil's history earlier this year, when the opposition rallied crowds in excess of a million in São Paulo and Rio de Janeiro in a campaign for direct, popular election of the next president.

Because of the widespread discontent, the gradual transition to representative, elected government is taking a different course than that planned by General Figueiredo and his associates.

They had counted on retaining power with a civilian candidate as president, by limiting the presidential election to an indirect vote by the electoral college, which consists

of members of the Senate and Chamber of Deputies, some of whom were appointed by the military, and six delegates from each state.

In April, the administration was able to muster enough votes in Congress to defeat a constitutional amendment designed to make this presidential election a direct, popular contest decided by Brazil's 60 million voters. And in June, the military regime withdrew its offer to permit presidential elections by popular vote in 1988.

But the massive popular pressure for direct elections had an unexpected political effect. The pro-government Democratic Social Party split over the issue. Vice President Aureliano Chaves, a former governor of Minas Gerais, led a revolt in the party, and the dissidents have joined with the Brazilian Democratic Movement behind Mr. Neves.

Mr. Neves, 74, is a respected national figure. A politician for 50 years, he has been a federal deputy and president of the Bank of Brazil. From 1962 to 1964, under a brief parliamentary system, he was prime minister. He has friends and political allies across the political spectrum.

He does not arouse fear and hostility in the military as some radical

INSIDE

■ National parks in the United States are overwhelmed by the crush of visitors. Page 3.

■ U.S. sells parts, Jeeps to Iran while pressing others to observe a boycott. Page 3.

■ Poland's amnesty declaration has not solved its problems with the Catholic Church, the West or its own people. Page 5.

■ U.S. officials are looking for methods to ease a sharp increase in flight delays at airports. Page 5.

■ The strengthening of Peru's military to combat guerrillas is arousing fears. Page 5.

■ Indian newspapers quote Indira Gandhi as having accused Washington of promoting Punjab violence. Page 5.

■ Merrill Lynch said it had agreed to buy the New York securities firm Becker Paribas Inc. Page 9.

■ The U.S. deficit on foreign trade climbed to \$26.3 billion, a record, from April through June. Page 9.

TOMORROW

Efforts to relax tensions between the two Germanys have provoked public demonstrations from the Soviet Union.



TOPS — Evelyn Ashford of the United States was the winner in the women's 100-meter dash. Pages 6 and 7.

Peres, Shamir Meet to Seek Formula For Sharing Power in Israeli Cabinet

The Associated Press
JERUSALEM — Shimon Peres, Israel's prime minister-designate, and Yitzhak Shamir, the caretaker prime minister, met Monday to try to work out a power-sharing formula for a joint government.

The two leaders met alone in Jerusalem in an apparent effort to overcome the main barrier to a bi-partisan coalition, disagreement over who will lead the new government.

Israeli radio reported that Mr. Shamir, who met Sunday with potential coalition partners among the Knesset's 13 small parties despite Mr. Peres' appointment as

prime minister-designate, still had hopes of retaining power.

Mr. Peres also started a round of talks with the small parties after being chosen Sunday by President Chaim Herzog to form a new government.

Labor won 44 seats to Likud's 41 in general elections on July 23.

Mr. Peres, who has at least three weeks to assemble a 61-seat parliamentary majority, appeared to be working on two fronts: the formation of a narrow-based coalition with small parties that would allow Labor to rule on its own terms or of a broader coalition that would include Likud and require major

compromises on policy questions. He met for more than three hours Monday with representatives of the National Religious Party, a key faction that won four seats in the 120-member Knesset. He said that no commitments were made by the faction.

Avner Sciaki, one of the party's new Knesset members, said on Israel's armed forces radio that the group would "only enter a national unity government, because we believe any other government will not last long. Why give the people a government that will last for two months and necessarily fail?"

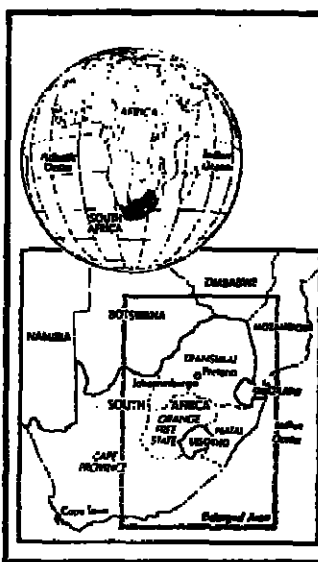
Israeli radio said that Labor and the National Religious Party agreed to continue discussions but disagreed about West Bank settlements and the role of religion.

Labor was hampered in its efforts to form a bipartisan government by a threatened revolt of its left-wing Mapam faction, which has six of Labor's 44 seats.

Yair Tshen, a Mapam member, said on Israeli radio that he found "it hard to believe that common ground can be found between Labor and the Likud."

He said that the faction had not vetoed a joint government, "but we will have to see how the negotiations develop."

Mr. Herzog launched the national unity initiative after Mr. Peres and Mr. Shamir seemed to be making no progress in efforts to form a parliamentary majority. The Labor Party leader pledged to try to form a joint government but was under no legal obligation to do so.



SOUTH AFRICA AND THE BLACK HOMELANDS

Under the concept of "separate development," South Africa's black population is divided into 10 nominally independent tribal "homelands" (outlined in right). Ten homelands have been set aside and four have been declared "independent."



WORLD BRIEFS

Union Ban at U.K. Spy Center Upheld

LONDON (Reuters) — A panel of three appeals court judges ruled Monday that Prime Minister Margaret Thatcher acted lawfully in banning trade union membership at Britain's main electronics intelligence agency.

The decision reversed a court ruling last month that Mrs. Thatcher failed to hold proper consultations with staff unions before ordering the ban at the Government Communications Headquarters in Cheltenham in western England. The appeals panel held that Mrs. Thatcher's action was clearly "taken on the grounds of national security."

The Cheltenham center employs about 8,000 technicians and translators to monitor Soviet and other Eastern-bloc radio communications. Civil service unions representing workers at Cheltenham said they would take the case to the House of Lords, Britain's highest court of appeal.

Driver Killed in Attack on Kuwaiti

MARBELLA, Spain (UPI) — Gunmen in a moving car sprayed the automobile of a Kuwaiti newspaper owner with submachine-gun fire, killing the driver and wounding another man, police in Marbella said Monday.

A man telephoned the Beirut office of the French news agency Agence France-Presse to say that the attack had been carried out by the pro-Iranian group Islamic Jihad.

The newspaper owner, Khalid al-Marzooq, 51, was not injured in the attack Sunday night in the Costa del Sol resort. Mr. Marzooq's family owns the newspaper *al-Anba*, which has favored Iraq in the Gulf war. Also, Kuwait is holding several persons, suspected of involvement in Islamic Jihad, for a series of bombings against Kuwaiti and U.S. institutions in December.

U.S. Warns Visitors to Soviet Union

WASHINGTON (AP) — The State Department has accused the Soviet Union of gross violations of its consular agreement with the United States and warned American travelers to Leningrad that they may be subjected to harassment, detention and "embarrassing searches."

In issuing an advisory warning to American travelers, Alan D. Romberg, the department's deputy spokesman, reported Monday that the Soviet government had "not responded in a satisfactory manner" to official U.S. complaints. He said that incidents involving official harassment had increased sharply in recent months throughout the Soviet Union but that most of them had been in the Leningrad area.

"There have been several cases of unlawful detention of tourists by the Soviet security organs following innocent contact with Soviet citizens," Mr. Romberg said. He added that, while detained, the Americans were denied their rights under the consular agreement to communicate with a U.S. consular officer and to be visited by such an officer "without delay."

U.S. Says KGB Sent 'Klan' Letters

WASHINGTON (AP) — William French Smith, the attorney general, accused the KGB, the Soviet secret police and intelligence service, on Monday of forging threatening letters purportedly sent by the Ku Klux Klan to 20 Asian and African nations, in an effort to convince them to withdraw from the Olympic Games.

In a speech prepared for the American Bar Association convention in Chicago, Mr. Smith noted that in the months before the Olympics opened, "we were especially concerned by reports in the press that the Ku Klux Klan had allegedly mailed threatening and abusive letters to some 20 Asian and African countries planning to take part in the 1984 Olympic Games." None of the nations that received the letters withdrew from the Games in Los Angeles.

Mr. Smith said the letters "were not produced or sent by the Ku Klux Klan. They were, instead, manufactured and mailed by another organization devoted to terror: the KGB." He said that "a thorough analysis — including linguistic and forensic techniques — reveals that they are classic examples of a Soviet forgery or disinformation operation."

4 Sentenced to Death in Soviet Union

MOSCOW (AP) — Three murderers in the Kirgiz Republic in Central Asia, who robbed their victims to finance alcohol addictions, have been sentenced to death, according to a newspaper reaching Moscow on Monday.

The newspaper *Soviet Kirgizia* said that six persons connected with the murders in the spring were arrested in mid-April in Frunze, the republic's capital. After a two-week trial, for which no date was given, three were "refused the right to live among people" and were "sentenced to the highest form of punishment — execution," the newspaper said.

In the Lithuanian Republic, a man with three previous criminal convictions was sentenced to death for strangling a woman with the help of his sister, according to another newspaper. The paper, *Soviet Lithuania*, said the two strangled a woman and then stole wine, food and money from her. The sister received a 10-year sentence.

India Rejects Joint Inquiry on Attack

NEW DELHI (AP) — India has rejected Sri Lanka's proposal for a joint investigation of the bomb explosion that killed 31 persons at the Madras international airport, a Sri Lankan official said Monday.

About 150 relatives of 25 Sri Lankan nationals killed Thursday in the explosion were to arrive Monday for a mass funeral in Madras, in Tamil Nadu state in southern India. The bomb was hidden in a suitcase, which was destined for an Air Lanka flight from Madras to Colombo.

Pakistan Delays Conspiracy Trial

ISLAMABAD, Pakistan (AP) — The trial of 50 persons accused of plotting to overthrow the military government of General Mohammed Zia ul-Haq has been postponed because "the courts are full," a government spokesman has announced.

No new date was set for the trial, but the spokesman said Sunday that it could be within a week. He said the accused were arrested in 1981 and 1982 after "after getting training in Afghanistan in subversive and sabotage activities."

The pro-government *Pakistan Times* said Sunday that the defendants were members of the al-Zulfikar group, an extremist wing of the opposition Pakistan People's Party founded by Prime Minister Zulfikar Ali Bhutto. Mr. Bhutto was executed in 1979.

For the Record

Japan successfully test-fired a domestically developed ground-to-air missile with a range of 22 miles (35 kilometers) Monday, the Kyodo News Service reported. (UPI)

Greece will buy 40 French Mirage 2000 strike aircraft for its air force along with a U.S.-made jetfighter, the F-16 or the F-18, a Greek government spokesman said Monday. (AP)

Iraq signed a protocol with Turkey on Monday for a second pipeline to carry Iraqi oil to the Turkish Mediterranean coast. (Reuters)

Abortion Aid Stirs Dispute

(Continued from Page 1)
Istion Council, said, "Nations have sovereignty over their population policies and the conference will of course endorse that principle."

Abortion funding is not expected to be the only emotional issue on the agenda of the 140-nation conference, which will include proposals on arms control, free-market economies and the plight of international refugees.

But the greatest concern of the conference's organizers is the fear that the Reagan administration will cut the \$38-million annual contribution to the UN Fund for Population Activities. The United States is the organization's largest single funding source. The UN agency supports national population control agencies with technical advice and direct financial aid.

While an estimated \$2 billion is spent annually on population programs worldwide, UN officials and population control proponents like Mr. McNamara say these expenditures should at least be tripled. They say the increase would be impossible without a boost in U.S. funding.

Through its Agency for International Development, the United States channels about \$240 million annually to population programs abroad, while indirectly financing others through the World Bank and other institutions.

Rafael M. Salas, who heads the UN Fund for Population Activities and is secretary-general of the conference, downplayed the abortion issue.

Instead, he said, the most controversial debate may surround the Soviet Union's proposed declaration urging participating countries "to implement disarmament measures."

Another possible confrontation, pitting the United States against the Third World bloc, could emerge from U.S. demands for a condemnation of "counterproductive" state regulation of free enterprise.

Developing countries will issue calls for the protection of the rights of migrant laborers, increased food aid and agricultural development assistance.

Pressure Brings Brazil To Brink of Democracy

(Continued from Page 1)

opposition figures do — men such as Governor Leonel Brizola of the state of Rio de Janeiro, who was turned from exile and was elected governor by a wide margin in 1982.

The return of Mr. Brizola and thousands of other exiles, whose political rights were suspended after the 1964 military coup, was the first step by General Figueiredo and the military toward restoring full democracy.

The second was the direct election of governors in 1982, when the opposition won in most of the major states of southern Brazil, including São Paulo, Minas Gerais, Paraná, Rio de Janeiro and Goiás. The opposition also won control of the Chamber of Deputies but could not overcome the pro-government majority in the Senate.

The neutrality of the armed forces now leaves the Democratic Social Party on an even footing with the opposition. But while the opposition has been strengthened by the dissident movement, the Democratic Social Party is weaker and divided. When the party holds its national convention Friday, it must choose between Paulo Maluf, a former governor of São Paulo, and Mario Andreazza, the present minister of the interior, who is close to General Figueiredo.

Mr. Maluf, 54, a wealthy businessman whose parents were Lebanese immigrants, is a dynamic political figure. He has considerable financial support and a determination to win the presidency that has divided his party. If he wins the nomination, as seems likely, new splits seem likely, favoring the opposition.

The question under debate among outside analysts and the South Africans themselves, black and white, is this: Are the new Africans signaling a willingness to genuinely share power with other South Africans, or are they merely searching for more modern and efficient ways of maintaining total and ruthless control?

There have always been deep divisions behind the solid-rock facade of unity that the Afrikaners have traditionally displayed to the outside world. They date back at least to the beginning of the 19th century when the British empire extended its rule to the Cape Province.

The Dutch-descended Afrikaner settlers had lived in the region for more than a century, and some chose to remain and seek a peaceful coexistence with the British. Others packed their families and belongings into ox-drawn wagons and trekked to the splendid isolation of the African interior. There, armed with Bibles and carbines, they established independent republics, battled black tribes and eventually the British in two wars, and laid the foundation for the modern South African state.

In 50 years that picture has been dramatically transformed. By uniting politically and culturally, by taking full advantage of South Africa's post-World War II economic boom, by fostering their closest potential competitor in the chains of apartheid, the Afrikaners successfully undertook a second great trek to urban prosperity and, simultaneously, to national power.

Most of the world identifies apartheid with the series of national laws and local ordinances that separate whites from blacks on South Africa's buses, park benches and beaches and in its classrooms, bedrooms and neighborhoods. But those laws are only the face of apartheid.

Behind them is a much more ambitious concept, known by the euphemism "developmental apartheid," that was designed by apartheid's grand architect, Hendrik Verwoerd, to strip all black South Africans of their citizenship and

compel the majority to live in nominally independent tribal homelands.

Blacks would enjoy citizenship rights solely in those homelands, while those who remained in white-controlled urban areas, a strictly regulated minority, would have the status of visitors. South Africa has set aside 10 homelands and has declared four of them independent, although no other country has recognized them.

The ruling Nationalists and their Conservative opponents still agree on most of the basic principles of separate development. But the Nationalists have chosen to take a more pragmatic approach to some of these issues.

They are committed to the slow abolition of the most visible and symbolic forms of petty apartheid, such as segregation of parks, restaurants and sports facilities.

They have softened the economic edge of apartheid by abolishing legally enforced job discrimination and allowing the formation of carefully regulated black trade unions.

They also have conceded publicly that the homelands cannot satisfy the aspirations of many of the 10 million or more blacks who live in urban areas and that some new political accommodation must be reached with this group.

By contrast, the Conservative message remains straightforward and elegantly simple.

There are really only two options: separate development or total integration," said Johan Waggan, a Conservative supporter and Dutch Reformed chaplain at Rand Afrikaans University in Johannesburg. "In between is only for the time being."

A confrontation between the left and right sides of the National Party became inevitable when party leaders began to consider ways of incorporating the country's 2.8 million people of mixed race, known here as "coloreds," and the 800,000 Asians into the all-white political system.

From the viewpoint of numbers, the move made good sense.

The Asian and mixed-race minorities would supply reinforcements to the ruling minority. Long-standing white guilt was also a factor in the case of the mixed-race minority, most of whom share the language and culture of the Afrikaners but were disenfranchised in the 1950s as part of the grand design of apartheid.

The vehicle Mr. Botha chose was a long-discussed proposal for separate parliamentary houses for those of mixed race and Asians. The Nationalist leadership believed that this would absorb those minorities while still maintaining racial boundaries and ultimate white control.

Conservatives in the party saw it as a clear break with long-standing Nationalist racial policies. Their showdown with Mr. Botha came at a February 1982 meeting of the party's parliamentary caucus.

The Conservatives lost the vote, and 17 of them stormed out of the meeting, led by Andries P. Treurnicht, a cabinet member from the traditionalist northern Transvaal region. Mr. Treurnicht recalled in an interview that Mr. Botha had waved his hand at him and muttered "go, go" as they left.

Their departure set the stage for a whites-only referendum on the new parliamentary plan that quickly became South Africa's most spirited electoral contest since the 1948 vote that brought the Nationalists to power. It also became the touchstone for the entire Afrikaner debate.

At one raucous tent rally last fall in Randfontein, a small mining town in the Afrikaner heartland, Mr. Botha fought a three-hour war of words with rightists who shouted epithets of "liar" and "traitor."

Barry de Villiers, a young National Party worker and Botha loyalist who attended the meeting, shook his head in dismay.

"For Afrikaners to sneer at their leaders in this way is unbelievable," he said.

Nonetheless, Mr. Botha's limited gamble paid off when 66 percent of the white voters approved the constitution despite opposition from the Conservatives and from white liberals and blacks who saw the proposal as a further entrenchment of Nationalist power.

But the debate continues, as does the split in the Afrikaner community, not only in Parliament but throughout the intricate network of Afrikaner religious and cultural organizations.

Next: The establishment comes of age.

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سكيا من الالاحل

U.S. Sells Parts, Vehicles To Iran While Pressing Others To Heed Boycott

By John M. Goshko
Washington Post Service

WASHINGTON — The Reagan administration, while pursuing a worldwide campaign to stop other countries from furnishing military equipment to Iran, has permitted U.S. companies to sell to Tehran jet engine parts, vehicles and other items used by the Iranians in their war with Iraq, according to U.S. officials.

The sales result from loopholes in U.S. laws and commitments made under the 1981 agreement that freed 52 Americans held hostage for 14 months at the U.S. Embassy in Tehran. But many U.S. officials fear they are undermining the American argument that the most effective way of forcing Iran to peace talks is to curb its ability to wage war.

The United States officially refuses to sell arms to Iran or Iraq, and in January, in a move aimed at Iran, it imposed tougher export controls. However, it is still able to sell many items to Iran and other export bans could give Iran pretext to abrogate the 1981 agreement, which is the mechanism by which the United States hopes to settle billions of dollars in claims against Tehran by U.S. companies.

The Reagan administration, at the instigation of Secretary of State George P. Shultz, has been pressing governments in Western Europe, the Middle East, the Far East and Latin America to halt arms sales to Iran. According to U.S. officials, the pressure has so intense that it has created frictions with some allies, particularly Britain.

At the same time, the U.S. Commerce Department has licensed the shipment to Iran of a wide variety of American-made equipment that, technically at least, is nonmilitary. Last year, such material was worth about \$27 million, officials said.

Since January, the government has permitted shipment to Iran of about 100 Jeeps made by the American Motors Co. and the return of two Iranian-owned Boeing 707 jets



HIJACKER CAPTURED — Anti-terrorist police overpowered a hijacker near a French cargo plane he commandeered Monday soon after takeoff from Marseille. The hijacker, armed with a shotgun, ordered the six-member crew to return to Marseille and then go to San Francisco. He was identified as Peter Kintscher, a West German.

Mondale, in Radio Address, Presses Issues of Budget and Trade Deficits

By Lee May
Los Angeles Times Service

MINNEAPOLIS — Walter F. Mondale, in a nationwide radio address, has likened federal budget deficits to "a trap door under our economy" and again insisted that President Ronald Reagan would raise taxes to reduce deficits.

On Monday, Mr. Mondale met with budget and tax advisers to work out details of his promise to cut the deficit by two-thirds in the first term of a Mondale administration. The Associated Press reported.

In a five-minute paid broadcast on Sunday that resembled President Reagan's weekly radio addresses, the Democratic presidential candidate said the "economy is suffering from the largest federal deficits in history."

He said the record deficits lead to high interest rates, which make business investments harder to come by.

The results, Mr. Mondale said, are lost markets in agriculture, heavy equipment and high technology, and a loss of three million jobs.

Mr. Mondale stressed the issue of international trade in his address, predicting that 1984 would be "the worst trade year in history."

The U.S. trade deficit for the first six months of this year, according to figures released Monday, was \$51.9 billion. Last year's record trade deficit was \$61.1 billion.

Mr. Mondale assailed the "dumping" of foreign products into the United States at lowered prices. He criticized "unfair trade barriers" against U.S. companies and said that "foreign companies are not only getting a head start, their advantages are getting larger."

The former vice president supports legislation to require that foreign companies use a certain percentage of U.S.-produced materials in their products sold in the United States. Such a requirement would particularly affect Japan, a heavy exporter of automobiles.

Mr. Mondale again challenged Mr. Reagan to six debates, saying one should focus on "getting back our country's competitive edge."

Mr. Mondale also continued to press the issue of an income-tax increase, saying that "whatever Mr. Reagan may tell you," taxes must be raised regardless of who wins the election.

Dayton Duncan, deputy press secretary, said that Mr. Mondale planned to tape broadcasts occasionally, but not necessarily weekly. Sunday's message was aired on more than 100 stations, he said.

[The possibility that Mondale might consider a radical reform of the income-tax system was raised by his scheduled meeting Monday in North Oaks, Minnesota, with Senator Bill Bradley of New Jersey and Representative Richard A. Gephardt of Missouri, authors of the Democratic version of a "flat tax." The AP reported.]

Under their proposal, most deductions would be removed from the federal income tax system and tax rates cut substantially.

["He has endorsed the principles of Bradley-Gephardt — simplification, doing away with a lot of loopholes," said Mr. Mondale's spokesman, Mr. Duncan. "But he wants

Visitors Overwhelming Parks in U.S.

Silence, Solitude Lost Amid Summer's Crowds and Cars

By Philip Shabecoff
New York Times Service

WASHINGTON — In Yosemite National Park in California, trees will no longer grow in the compacted ground of a long-used campground.

In the back country of Wyoming's Yellowstone National Park, the increasing traffic has forced the grizzly bear into a shrinking area and threatened its future there.

On the cool plateau above Bryce Canyon in Utah this summer, cars circle to find a parking place, and people wait outside the park's dining room until their names are called over a loudspeaker.

Last year, the national parks in the United States counted 244 million visitors, most of them in June, July and August. The number has been growing by 3 percent a year for the past decade, with the exception of 1979 when there was a gasoline shortage.

The older parks of the system — Yellowstone, Grand Teton, Grand Canyon, Glacier, Yosemite, Zion, Great Smoky Mountains, Shenandoah and Acadia — bear the brunt of the annual invasion.

The summertime crowds have taken a toll on meadows, forests and animals and on the parks' roads, trails and buildings. It is still possible to find solitude and silence in the back country of the great parks, but not often and not for long, acknowledged Russell E. Dickinson, director of the National Park Service.

"This is of concern to us," Mr. Dickinson said, "because part of visiting the parks is escaping the urban hassle."

To keep the problems of the outside world from encroaching on its land, the Park Service has kept people away for years from many sections of some national parks.

This policy has continued under the Reagan administration, although President Ronald Reagan, in a recent speech to an organization of campers, accused the Carter administration of being "a little arrogant" because it "seemed to believe that the American people should be kept away from their own lakes, rivers and parks."

The Park Service limits the number of visitors to the inner gorge of the Grand Canyon, the back country of Yosemite and other heavily used or environmentally sensitive areas by requiring permits. In Yellowstone, areas frequented by grizzly bears are closed off — not to protect the people but to give the animals room to roam.

One of the most crowded parks is Acadia in Maine where conditions were so bad that vacationers who lined up at 6 in the morning for a campsite had only a 50-50 chance of getting one. Park officials say the pressure lessened after Acadia, along with several other heavily used parks, began taking reservations through a computerized ticket service.

Despite the crowds, officials say that even the most popular parks have not reached the point where they have to turn people away at the gates. The Park Service "is not seeking to limit visitors but to control the way visitors use the parks," said Dennis P. Galvin, head of planning, design and construction for the service.

Often, the problem is not too many people but too many autos. Yosemite and Grand Canyon encourage visitors to leave their cars outside the entrance and ride buses provided by the park instead. The service is also trying to disperse traffic within the parks.

Officials are trying to persuade people to visit in the off-season and to travel to the lesser-known of the system's 48 parks, such as Big Bend in Texas, Wind Cave in South Dakota and North Cascades in Washington. This has been a "mixed success," Mr. Dickinson said.

Conservationists insist that sooner or later certain parks will have to set a limit on the number of visitors. Paul C. Pritchard, president of the National Parks and Conservation Association, a private group, said that some of the Park Service's methods of coping with the crowds only make matters worse.

Building roads to relieve congestion, for example, often breaks up the habitat of wildlife. The American people, he said, may have to be told that "if they want to be able to see and enjoy the parks, they may have to back off seeing a few of the parks in June, July and August."

But Mr. Dickinson of the Park Service balks at the idea. "I prefer not to think of a time," he said, "when we have to set these limits on visitors, to shut the doors when the seats are full."

22 on Mined Tanker In Red Sea Are Saved

Reuters

BAHRAIN — Saudi Arabian helicopters have lifted to safety 22 members of Taiwanese crew from a oil tanker that hit a mine off the Red Sea port of Jeddah, shipping sources said Monday. One seaman was reported missing.

Meanwhile, a senior Egyptian government minister said Cairo was consulting with Western governments for help to clear the Gulf of Suez of mines, which have damaged at least 12 ships in the past month.

Sources in Jeddah, contacted by telephone, said nine crew members remained on board the 41,400-ton Liberian-registered Oceanic Energy, which was crippled Sunday. The sources said the vessel, chartered by a Japanese oil company and on its way to Jeddah, was waiting a tow from a Saudi tug.

In Cairo, Defense Minister Abdel-Halim Abu Ghazala said that Egypt would take all measures to insure the safety of navigation in territorial waters after the series of explosions.

He said mine sweepers were arching the Gulf of Suez but he insisted that the Suez Canal itself was free of any navigational hazards.

He said the United States, Britain and France were being consulted on the minesweeping operations. The United States has ready sent a special 15-man team to assist the Egyptian Navy.

Mr. Abu Ghazala said he believed the blasts were caused by acoustic mines or something similar but were not designed to destroy ships.

Asked who might be responsible for planting the mines, he said, "I cannot say. I am not sure who did it, so why accuse somebody?"

But he hinted at possible Iranian involvement when he said the explosions could be "in retaliation for what is happening in the Gulf," Egypt has backed Iraq in its 46-month war with Iran.

Last week, a man purporting to speak for a Moslem fundamentalist group telephoned news agencies in London and said his group had planted 190 mines in the Gulf of Suez and Bab el-Mandab, the strait linking the Red Sea and the Indian

Annual Price Tag Of EPA Rules Put At \$234 a Person

New York Times Service

WASHINGTON — The cost in this decade of the air and water pollution controls mandated by Congress may be \$526 billion in public and private expenditures, according to the Environmental Protection Agency.

The estimate means that each person in the United States would pay an average of \$234 a year in increased taxes and consumer prices.

The agency's report to Congress is required by law. The estimates in it were compiled by consultants, who said they were unavoidably "overstated" because technological developments that might reduce some pollution control costs had not been surveyed.

Although some data have been compiled on the benefits to citizens of clean air and water, the EPA report offered no estimate of the value to citizens of an improved environment.

Muslims May Visit Dallas
The Associated Press

WASHINGTON — The State Department said Monday that Soviet diplomats and journalists could, on formal request, be permitted to attend the Republican National Convention in Dallas this month, although the city is normally closed to Soviet citizens. No such requests have so far been made.

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Herald Tribune

Published With The New York Times and The Washington Post

The Worth of Hong Kong

France's Henry IV once offered a worldly reason for his conversion to Roman Catholicism: "Paris is worth a mass." Just as flexibly, China's Communist rulers have apparently concluded that a thriving and profitable Hong Kong is worth leaving it with British-style courts and Western-style freedoms. Though vital details are still unresolved, the bargain so far struck on Hong Kong's future does credit to British diplomacy and China's realism.

The two governments now agree that after Britain's 99-year lease on Hong Kong expires in 1997, the colony abutting the Communist mainland will be guaranteed a further half-century of capitalist existence. Although they would be living for the first time under the Red flag, the five million inhabitants are assured administrative autonomy, including full control over trade and economic policies, free travel and the British-designed legal system.

With that much settled, Britain's Parliament may get to consider the finished package by October. Three large matters are still to be settled: Who will control Hong Kong's profitable aviation rights? How will property be leased when the Crown ceases to be the principal landlord? And stickier still, what will be the citizenship rights of two million Hong Kong residents holding British passports?

A British passport once guaranteed permanent residence in Britain. But now colonialism and former colonialism, the majority nonwhite, may only visit Britain. Many in Hong Kong fitting that category have fled Communist rule once and may want to do so again. The best measure of Britain's trust in China's promises to Hong Kong would be a willingness to welcome those who have reason to hold doubts.

Beijing may find capitalism easier to tolerate than political pluralism. Hong Kong generates a third of China's foreign exchange, and opens a valuable window to Western markets. The colony was left alone even by Mao Zedong, though he scorned the treaty that created it as "unequal." Even with the future in doubt, Hong Kong has been booming, its exports and imports 50 percent and 30 percent greater than they were last year.

But free trade is one thing, free speech quite another. Hong Kong has been ruled by a British governor, but an elective system is soon to be established. Precisely how the colony would govern itself while also becoming part of China is yet to be defined. That small print needs scrutiny before Britain's skill and China's good faith in this anomalous but welcome agreement can be fully judged.

—THE NEW YORK TIMES.

IBM and the Europeans

The European Community has abandoned its antitrust case against IBM with only modest concessions from the company. International Business Machines Corp. presents a genuine dilemma to conventional antitrust policy, in the United States as well as in Europe. It is a very big company, and dominant in its industry. It does not treat its competitors gently. But it is a highly productive source of a technology that all industrial countries consider crucial to their economies.

In the United States, the Justice Department carried on antitrust litigation against IBM for 13 years before finally giving it up in 1982. As it has worked out, the issue seems to have been resolved by the reorganization of the telephone system. The new American Telephone & Telegraph Co. is now free to go into the computer business, with the immense resources of the Bell Laboratories behind it. As computer and communications technologies increasingly overlap, there is a good prospect for the most useful kind of competition between two extremely strong companies.

But the 10 countries of the European Community have no AT&T. Each has its own government-operated phone system. And IBM has two-thirds of the West European market for large computers. Of the next six competitors, four are American; the two Europeans are Siemens AG and CII Honeywell-Bull, respectively West German and French. None of

them has so much as a tenth of European sales. The theory of the European Community is that the 10 countries together constitute an economic base large and rich enough to support companies matching the Americans in scale and technology. But the theory has not worked in the field of computers, among others. Because the Europeans know that the field is essential to industrial development, each of the larger countries' governments wants its own company under its own flag. The result is that none of them has been able to acquire the scale or momentum to challenge IBM.

As the antitrust case proceeded, the Europeans began to fear that if they pressed too hard, IBM would withdraw some of its production and perhaps delay the introduction of advanced products in their countries. IBM is an important employer in Western Europe. That is why the European Community has now suspended the case merely with a promise from IBM to open design information to its European competitors within four months of announcing a new product.

Nothing in this settlement will affect IBM's enormous share of the European market. That is the price that the West European governments are evidently willing to pay to maintain a fragmented market in which none of the major countries is willing to see its own computer company disappear.

—THE WASHINGTON POST.

A Medal for Wall Street?

The U.S. financial markets seem to have been caught up in the Olympic spirit. Stock prices accelerated upward all last week, and the volume of trading on the New York Stock Exchange set successive records on Thursday and Friday. It echoed the kind of thing going on in the swimming competition in Los Angeles. A gold medal for Wall Street?

The numerologists of the financial world will note that this remarkable week fell a few days short of the second anniversary of the great stock market boom which began on Friday, Aug. 13, 1982, and ran more or less steadily until late last year. In both cases, the immediate trigger was the Federal Reserve Board's midyear review.

In the summer of 1982, because Congress was passing a tax increase, the Federal Reserve was able to relax its very tight grip on the money supply. After watching interest rates drop sharply for six weeks, investors decided that the world really had changed and the stock market took off. This year, after carefully observing the aftermath of the Federal Reserve's July meeting and listening to its chairman, Paul Volcker, testify before Congress, investors have evidently decided that at least he does not intend to go out of his way to raise rates. That counts as good news, and once again the market is responding.

To the extent that these investors expect business profits to keep rising smartly over the coming year, they are probably right. But to the extent that they expect stable or falling interest rates, their assumptions are far more speculative. At a time of heavy borrowing throughout the economy, and increasing reliance on a flow of foreign money to sustain it, interest rates are going to be unpredictable. The chances are greater that they will rise in the year ahead than that they will fall.

The most striking thing about the enormous volume of stock being traded is the illustration of the power of the computer to transform the financial markets. In the late 1960s and early 1970s, some brokerage firms literally collapsed under the pressure of increased trading. They could not handle the paper fast enough. Today the numbers of shares routinely traded is six or seven times as high, and there is very little paper to handle. Tied together by phone lines, the computers now constitute a worldwide network of continuous trading. That is good for the markets, and probably good for the economy. But it permits very rapid movement of very large amounts of money. The result is the dramatic volatility that the markets demonstrated last week — volatility, this time, in the right direction.

—THE WASHINGTON POST.

Other Opinion

Praise for a 'Flawed Genius'

The phrase "flawed genius" might well have been invented for Richard Burton. On the one hand, there was that unforgettable wit, gritty with the overtones of his native Welsh valleys and, in his final moments, a riveting presence on stage and screen which would reduce other performers to mere shadowy puppets. But

there can hardly be a newspaper reader in the Western world who is not aware of the other side of the coin. For like so many men of enormous talent — rarely in Burton wholly realized — he was dogged by irredeemable weaknesses. That said, it would be an ungenerous heart which did not acknowledge that the world would have been duller without him.

—The Daily Mail (London).

FROM OUR AUG. 7 PAGES, 75 AND 50 YEARS AGO

1909: Kitchener's Mediterranean Post
LONDON — Lord Horatio Herbert Kitchener has accepted the position of High Commissioner and Field Marshal commander-in-chief in the Mediterranean. Lord Kitchener, the "Morning Leader" says, will first proceed to Japan to represent the King and the British army at the grand maneuvers next November. From there, at the requests of the Governments of Australia and New Zealand, he will visit the Commonwealth and Dominion to inspect the troops and to advise as to the best way of giving effect to certain proposals for the development of their military forces. Afterwards Lord Kitchener will come home and take up his new command.

1934: Early Church Found in Rome
ROME — Papal archaeologists have uncovered under the Church of St. John Lateran the remains of the first Christian church in Rome and the first residence of the popes. The Lateran Cathedral still ranks as the mother church of Christendom. It is the traditional Episcopal See of the Pope as Bishop of Rome. The discoveries were made when repairs to the floors at the lowest level of the church, which contains numerous crypts, were under way. As workmen dug for new foundations, they struck a wall. Fourth-century masonry, which verified the original outline of the walls, was unearthed. Papal archaeologists had searched for years for the earlier church's foundations.

Syria's Economy Under Pressure

By Joyce R. Starr

DAMASCUS — "The great military pressures, the situation in Lebanon, particularly the Israeli invasion, have created great pressures on the Syrian economy," said Hiram Mutelelli, acting governor of the Central Bank of Syria. "Our problem now," he added, "is to have peace so that we can organize our economy. If not, we will have to go with the wishes of Moscow, the United States or even Beijing."

In a series of interviews, senior economic figures in the Syrian government returned frequently to the theme of peace and its relationship to Syria's economic future. "We want to reduce our defense spending," said Kamal Sharaf, the minister of state for planning affairs. "I wish to emphasize my position that if we were not in confrontation with Israel, we would use this money for social expenditures."

"The more we feel the Israeli threat is reduced," he added, "the more we can allocate for the benefit of the Syrian citizen."

Defense spending comprises an amazing 56 percent of Syria's 1984 current accounts budget and 30 percent of the total government budget. Mr. Sharaf pointed out that defense costs have increased threefold since 1978, while Arab aid has decreased by the same proportion — to an expected \$1 billion to \$1.4 billion for 1984. Saudi Arabia is the only Arab country that has consistently honored the 1979 Baghdad commitment to help Syria in the ongoing confrontation with Israel.

Syrian officials also indicated that President Hafez al-Assad "wants to cut our material obligations in Lebanon, not only our military presence but our support for certain factions."

Sources close to Mr. Assad said that the 1982 confrontation with Israel cost more than \$1 billion, and that military spending in Lebanon still averages \$250,000 per day.

Smuggling of imports from Lebanon, initially tolerated and even encouraged as a channel for consumer goods, has become an additional burden for Syrian government coffers. The illegal trade has grown to absorb about 10 percent of legal revenues and created a public obsession for foreign goods that threatens local industries.

While still far from crisis proportions, strains on the economy are nonetheless widely, and worriedly, discussed here. Foreign exchange shortages have plagued Syria for years, but currency reserves are now at a low of about \$600 million. The 1984 inflation rate is expected to be 13 percent to 15 percent, about double last year's rate.

Syria's foreign debt is still relatively minor, \$2.3 billion, and government authorities claim it is owed entirely to foreign governments at concessional rates. But this does not account for Soviet military loans — \$2 billion since 1982 and \$12 billion to \$13 billion since 1973 — as yet repaid only in kind.

Imports were reduced in 1983, bringing the current accounts deficit in the balance of trade to \$509 million. But declining oil prices bode ill for crude oil exports, Syria's dominant source of foreign earnings, while the world recession has badly hurt other key exports such as cotton and textiles. "Our businessmen know what's happening to the American interest rate," said Mr. Mutelelli, the Central Bank official, "not just in the morning, but every two minutes."

But dry statistics only partially explain the readiness of government officials to talk about the diversion of military resources for social development. Although the Assad regime has finally achieved its long-coveted recognition as a major

political power in the Arab world, the Ba'ath Arab Socialist Party is increasingly aware that it cannot afford to ignore social promises made to its constituency.

Political oppression may be an effective substitute for genuine legitimacy in the short run, but economic oppression — of the agrarian-based Alewites in particular, but also of the growing proportion of rural workers who have migrated to the cities — is more dangerous, and violates the ruling party's tenets.

"The deterioration," one Syrian businessman confided, "is now so obvious that the president himself is taking charge."

The socioeconomic pressures facing Mr. Assad are far from insignificant. Syria has the highest birthrate in the Arab world. Seventeen percent of the population is under the age of 4 and 41 percent is between 5 and 19. The literacy rate has been raised under the Assad regime — but to maintain it will be difficult with the current birthrate.

Per capita income in Syria is fairly low, about \$1,500, and many people live on the margins of subsistence. The 1963 nationalization and the launching of many large but impractical industrial projects have also hurt the economy, diverting resources from the agricultural sector, drawing rural dwellers to the city, and inspiring a work ethic in which decision-makers "did what they wanted, because no one was going to ask how much money was being lost," as one Syrian said.

Typical of the stories going around — many of which may be apocryphal — is that of an expensively built paper factory that has sat for six years only partly operational "because it costs more to import the raw materials than to pay the employees to do nothing."

Yet President Assad is rarely blamed for these mistakes. Instead, the criticism is leveled mostly at his



Hafez al-Assad

advisers. But whether he can now redirect the economic ship of state on a stable and productive course is a leading question here.

Military parity with Israel and preparedness against "the ever-present Israeli threat" are no less imperative to the men on the street than they were 10 years ago, and have even been amplified by the Lebanon experience. But when senior officials mention the economic benefits of peace, they appear to be reflecting a subtle, but important, political turning point in the ongoing Syrian drama.

"Our president is a patient and determined man," said Mr. Sharaf, the planning minister. "Therefore, if we are forced to continue building our defenses against Israel, we are prepared to do so. But we would rather go in the opposite direction."

The writer is director of the Near East Program of the Center for Strategic and International Studies at Georgetown University in Washington. She contributed this article to the International Herald Tribune.

In Israel, The Right Message

By William Safire

JERUSALEM — Don't believe the guff you have been hearing from defeated doves in Israel and disappointed liberals in the United States about what they claim is the failure of Israel's voters to choose a direction for their country.

The Israelis seemed to have every incentive to reject the policies of the right: galloping inflation, dissension about the war in Lebanon, the retirement of Menachem Begin, and the exhortation of a media eager for the triumph of Labor's Shimon Peres.

Despite all these pressures, most Israelis refused — for the third time in a row — to turn back to Labor. Instead, the voters sent the message to the politicians that the leadership offered by both major parties was unacceptable, and that the politicians should choose a government of all the parties to get the nation together.

Sources who predicted this unexpected outcome two months ago now tell me that the voters' refusal to give power to either side could not have been more timely. The rightist Likud had failed to bite the bullet on the economy and Jewish Labor had misread the mood of the country and of the armed forces after the war.

What was needed was precisely what happened: Israelis gave a kick in the teeth to the Old Order, to both the government and its opposition. Now a chastened Shimon Peres has met with the Likud's lame-duck leader, Prime Minister Yitzhak Shamir. Whether they will divide up offices and waste time wrangling until new elections, or use the respite to heed the people's voice, is unclear.

To the limping left, that Israeli voice is saying: Cut out the hand-wringing about a "Vietnam syndrome" after Lebanon; although most generals voted with Labor, the privates went 55 percent to 45 percent for the Likud. Stop negotiating with phantoms over the West Bank and start dealing with the rights of Arab Israelis. Stop blaming an erosion of Labor support on the new political clutch of Jews from Arab lands, and wake up to the hardening of the Likud's official stance — eight of the Likud's choices for the Knesset are under 40 years old, compared to one of the new Labor members.

To the rigid right, the voters are saying: Stop relying on your religious party connections to form a government and start reaching out for big-gest party status. Recognize that Israel's greater danger now is economic weakness, and that the Begin-Shamir government was too fearful of unemployment to deal with inflation, for which it deserved to be rejected.

To both parties, the voters' message should be clear: Use this time for economic austerity leading to recovery, and no one side will be blamed for the necessary pains such austerity must entail. Beyond that, both parties must pick better candidates for the next campaign.

Personalities count. Mr. Peres tells me he plans to choose "a government of wide shoulders, to bear a heavy burden." Obviously Yitzhak Rabin, the former prime minister who turned out to be Labor's most effective campaigner, will be important to such a "ministry of all the talents."

In the Likud, behind Mr. Shamir stand Moshe Arens, David Levy, and Ariel Sharon. There is talk of the dreaded Mr. Sharon for the Finance Ministry, because his opponents hope he would dig his political grave while getting the tough job done. Another possibility for the role of Dr. Gloom is Ezer Weizman.

The game of musical chairs will get the attention here this week, but the underlying story is the politicians' grudging response to the voters' demand for a deep breath and a new start. Labor's leader has been forced to offer to share power with his strongest rival and the Likud cannot honorably refuse that offer. The splinter and religious parties will no longer wield inordinate power.

On the eve of Yom Kippur, the anniversary of the destruction of the Temple, Mr. Peres and his political foes have been given the historic role of reconstructing Israel's stability. They will come together to share the responsibility, and will then step aside for a return to healthy partisanship.

The New York Times.

LETTERS

On the Horse-Killing
As one who is about to emigrate to Australia I read with horror the July 26 report "Plan to Shoot 300,000 Wild Horses Begins in Australia." Drawing Protest.

Why was the program never officially announced by the government of Queensland? Was it because the evidence that the horses might transmit disease to cattle proved inconclusive? Assuming the slaughter is necessary, did the government consider more effective and humane alternatives than shooting horses from helicopters?

Finally, does the Queensland government not distinguish between the horse and other targets of occasional "culling" such as kangaroos, deer and badgers?

DORINDA N. HANCOCK
London.

What About Reagan?
In response to Eve Randall's letter "The Reagan Difference" (June 13):

A few questions: What about the Russians' treatment of the Sakhalins? You made no mention of this though the entire civilized world is shocked by it. And what about the Soviet invasion of Afghanistan? It is going too far to claim that "Ronald Reagan makes a mockery out of the Soviet Union's efforts to achieve a lessening of tensions."

KITTY CLOSE
Madrid.

Hunger's Tangled Roots Require Concerted Attack

By Larry Minear

WASHINGTON — Tents, row upon row, kettles on open fires, people wrapped in blankets, stretchers awaiting Red Cross attention — but the scene is not a field of war. It is the Ethiopian town of Korem, where people are dying daily from hunger and related illnesses.

In Ethiopia's capital there were United Nations-sponsored discussions about the world's flagging commitment that by 1984 no child would go to bed hungry. But the statistics and reports do not prepare a visitor for the camp scene's starkness.

Nor is the agony in Korem made more bearable by the knowledge that governments, UN agencies and private relief groups are hurrying to relieve the suffering of the camp's 26,000 registrants and the 180,000 who walk for days to receive take-home rations every month.

The World Food Council's discussions in Addis Ababa illuminated the African food crisis-in-microcosm that the Korem camp represents. Review-

ing the 10-year effort launched in 1974 to eradicate hunger and malnutrition, the council's ministers found that the world provides food for a billion people, but that the problem lies at its roots. Self-reliant national food strategies are more easily designed than implemented. It is easier to send, and receive, food aid than to tackle the paradox of structural food surpluses in many developed countries and structural food shortages elsewhere.

The U.S. response to the African food crisis has been uneven. As African governments address the urgent task of putting their economic houses in order, U.S. aid, which has risen substantially in recent years, places undue emphasis on the private sector and on security considerations.

Although multilateral organizations have acquitted themselves well during the decade, the current U.S. penchant for bilateralism is undercutting the important work in Africa and elsewhere of agencies such as the UN International Fund for Agricultural Development and the World Bank's International Development Association. In short, the United States is an increasingly fickle partner in the international food effort in Africa.

The situation in the camp at Korem, with its daily death toll now in the dozens, is the result of decades of neglect. The future holds more of the same unless the world acts on what it has learned since 1974, when, in a show of bravado, we gave ourselves a decade to end hunger.

The sight of a dying woman lying motionless, or a child covered with open sores, makes the visitor recoil with shock. The next reaction is to redouble efforts to accelerate the flow of emergency food and medicines. But the problem is larger than Korem. It also demands rekindled commitment by the international community to fashion a global food system that protects the well-being of all the world's people.

The writer heads the Office on Development Policy for Church World Service Lutheran World Relief in Washington. He attended the World Food Council meeting in Ethiopia in June and contributed this comment to the Los Angeles Times.

Ties of Velcro Do Not Bind, Nor Digits Slow Almighty Time

By Ellen Goodman

BOSTON — My young friend doesn't want me to teach her how to tie shoelaces. Between her first and third birthdays, laces have become nearly extinct on shoes her size. They were done in by Velcro, the plastic self-fastener. The role that I had honed over years of teaching — left over right, under and pull — is also extinct.

This girl will not experience the frustration or the accomplishment of learning this task. Nor will I experience the frustration or accomplishment of teaching it. No matter. Life is easier with Velcro.

My young friend does not need me to teach her to tell time either. Children do not tell time anymore. They are told it by the watches on their wrists. The big hands and little hands that I had decoded with my child, niece, cousin, and the children of friends, are being replaced inexorably with digits.

I don't rail against these artifacts of progress. I am a fan of Velcro, and absolutely neutral on the subject of digital numbers. But the non-needs of my 3-year-old friend have given me some old thoughts about old ties and old times. I feel suddenly like a loyal and competent employee whose work has been mechanized. I am skilled with skills that are unnecessary.

I know there is something essentially modern in my dilemma of defunctness. Clocks and shoelaces are not major losses, but they are examples of what happens routinely in our culture. Technology changes so quickly, we hardly have a chance to teach our children what we know before it is irrelevant.

Once, crafts were handed down from one generation to another un-

til families were named after them — Millers, Smiths, Taylors. Now skills have a shelf life shorter than our own. In a hundred ways, "improvements" disrupt the lines of inheritance. In high-tech societies it is no longer the elders who hold the secrets, no longer the young who are to be initiated. Indeed, in the Silicon Valleys of our culture it is the young who decode mysteries. I do not want to overstate my case. Perhaps I cannot teach a 3-year-old shoe-tying, but I have a 16-year-old daughter with an automobile learner's permit. We practice hill starts as I once did with my parents, and still on a shift car. Most of us have taught someone younger how to throw a ball, bake cookies or hammer a nail.

Still, it seems to me that discontinuity is a real tradition among us. The tradition of grandparents who are experts in the intricacies of carriage-driving just when cars appear. The tradition of elders who have mastered elegant script when typewriters are invented.

We no longer expect one generation to pass on its technical curriculum to the next. The informal teaching that goes on in our lives today is about subjects outside technology, and outside time.

We show our children, grandchildren, young friends how to smell a ripe cantaloupe, pick up a frog, watch for poison ivy, and understand each other. We learn to make generational ties by sharing ourselves, not our crafts. The one skill that is not obsolete is understanding of nature, especially human nature. And most of the experts on this are amateurs.

Washington Post Writers Group.

Environment: Optimism Grows Among the 'Haves'

By Ann Crittenden

WASHINGTON — Ten years ago, meetings of environmentalists tended to be gloomy occasions, dominated by talk of "running out" of basic resources.

There is still plenty of concern, but a cautious optimism is creeping into the discussions. One barometer of change is the UN International Fund for Environment by Worldwatch Institute. Lester Brown, the institute's director, has been a leading Cassandra, warning of the steady depletion of fuel, topsoil and other resources. Now he sees a more mixed picture.

Indeed, high oil prices in recent years have shattered the link between economic growth and energy consumption, and proved that the pricing mechanism can stimulate more efficient use of scarce resources. Since 1974 growth in several developed countries has increased by as much as 20 percent, while energy consumption has remained stable.

Meanwhile, 12 countries had achieved zero population growth by 1983. All were in Europe, but other states, such as Singapore, China and Cuba, have made huge strides.

And supplies of non-fuel minerals are now expected to be more than adequate for expected demands.

Such gains must be measured against the lingering problems: toxic wastes, acid rain, destruction of forests. Moreover, much of the progress in halting environmental degradation has come in industrialized countries, while poor nations still struggle to reconcile the need to improve living standards with the need to preserve their environments.

An episode at a recent conference in Maryland of the World Resources Institute highlighted the discrepancy between many Western approaches and the realities of the developing

world. It involved a paper presented by Peter Rogers, a Harvard professor of environmental engineering.

His report concluded that there is no global shortage of fresh water and will not be until well into the 21st century. He acknowledged that severe shortages do exist in some areas, and he said conservation measures (such as pricing water to reflect its scarcity) might be one answer.

But the report also questioned whether the benefits of achieving the UN goal of clean drinking water for all people by 1990 would be worth the huge cost, since factors other than unsafe water also affect the health of people in the poorest nations.

Afterward, Mohamed T. el-Ashry, a staff member of World Resources originally from Egypt, pointed out that a pricing strategy would not get very far among Moslems, whose religion forbids charging for water.

And then Jacqueline Ki-Zerbo of Bourkina Faso (formerly Upper Volta), spoke. "We need water," she said in a quietly emotional voice. "I see the women digging in the sand to grow a few vegetables, and I see the wells too dry to moisten the crops. And I don't hear you tell me how we are going to do it."

As it turned out, some participants suggested effective, practical ways the water problem could be attacked. But when Western participants reverted to their technical discussion of "closed loop systems" and "realistic pricing," another Third World representative, in a whispered aside to a neighbor, had this comment: "Only the will of people can bring about change. There has to be the will."

The contributor, a writer, wrote the article from which this is excerpted for The Washington Post.

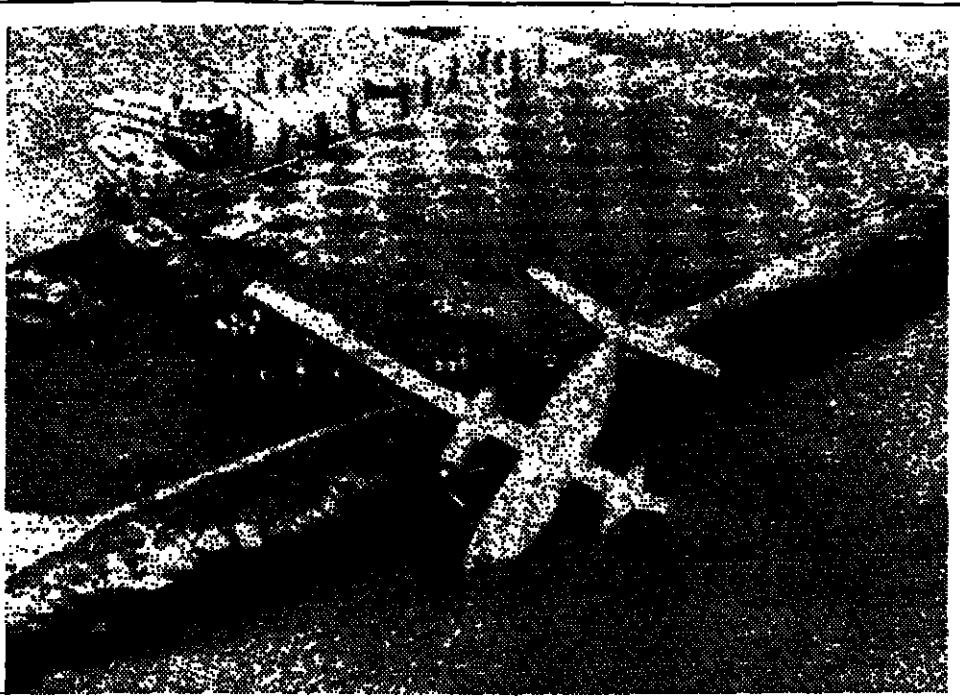
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صكنا من الامل



ON THE BRINK — Seven passengers were unhurt Saturday when a private airplane skidded off the runway at an airport in Rio de Janeiro and went into Guanabara Bay.

Mrs. Gandhi Said to Blame U.S. in Unrest

Office of Indian Leader Says Press Reports Erred

By William Claiborne
Washington Post Service

NEW DELHI — Prime Minister Indira Gandhi has become embroiled in controversy over a statement attributed to her that a "Washington-based espionage agency" abetted civil unrest among separatist Sikhs in Punjab.

Mrs. Gandhi was quoted Monday in most Indian newspapers and by two national news agencies, including the state-owned Press Trust of India, as explicitly implicating the U.S. government in an attempt to destabilize India.

The allegation was said to have been included in a speech she made Sunday to policemen in the northern state of Himachal Pradesh.

While Mrs. Gandhi has often accused a "foreign hand" of causing sectarian unrest in India, her reported comment Sunday was the first in which she specifically accused the U.S. government of involvement in the Punjab violence.

At least 1,500 people were killed in June when the Indian Army assaulted Sikh temples held by militant separatists.

Mrs. Gandhi denied Monday that she had made specific reference to official U.S. involvement in Punjab. Her press secretary, Sharda Prasad, said that Mrs. Gandhi had been misquoted and that she had merely reiterated what she had often stated earlier, namely that separatist movements have their origin and support abroad.

However, the United Nations of India, which first reported the comment, said it stood by its account of her speech. The Hindu Times said Mrs. Gandhi "stated categorically that an espionage agency in Washington was abetting some people to voice separatism in India."

The prime minister's denial was understood to have followed requests by the U.S. government for clarification.

Last month, publication of an Indian government white paper on the army's action in Punjab was delayed when, according to diplomatic sources, the United States informed New Delhi that attempts to link the U.S. government to the unrest would provoke a vehement protest.

The statement attributed to Mrs. Gandhi appeared to be linked to a front-page report Saturday in the Hindu Times, which Washington correspondent alleged that two leading Sikh separatists were on the payroll of the U.S. Defense Intelligence Agency.

Trials of 350 Sikhs

Three special, closed trials of 350 alleged Sikh extremists were due to begin Monday in Punjab, two weeks after the Indian government declared the northern state a "terrorist-affected area." The courts are operating in the towns of Patiala, Ludhiana and Ferozepur, Reuters, citing a dispatch from the Press Trust of India, reported from New Delhi.

U.S. Airports Troubled by Flight Delays

Government, Industry Officials Seeking to Stem Growing Passenger Unrest

By Richard Witkin
New York Times Service

NEW YORK — At Kennedy International Airport one recent day, 63 planes were scheduled to arrive in the hour beginning at 5:45 P.M. But the most the airport could handle, even with clear weather, was 44.

In St. Louis, the schedule on a recent day showed 69 planes listed to take off in the rush hour from 6 to 7 P.M. The capacity, in good weather, is 44.

The government has no overall figures showing how often airlines schedule more flights than an airport can accommodate, but these and other examples from the Federal Aviation Administration indicate it is a widespread problem.

The overscheduling has contributed to a sharp rise in flight delays and prompted growing criticism from passengers, government officials and consumer groups.

Officials at several airlines acknowledged they scheduled more rush-hour flights than the system could handle, saying they were responding to competitive pressures. There are no government controls on how many flights may be put in the airline schedule.

"If we stay away from a 5 P.M. takeoff, others won't, and they'll gobble up the prime-time busi-

ness," said Jerry Costley, a spokesman for Trans World Airlines.

Although other factors, such as bad weather and an increase in noncommercial flights, contribute to delays, overscheduling has generated criticism because it is viewed as something the industry can correct and because it is considered unfair to consumers.

"If they schedule 19 departures from Atlanta in two and a half minutes," said Representative Elliott H. Levitas, Democrat of Georgia, "it's safe to say it's not going to happen. If they have the airport capacity, fine. If not, it's misleading to tell someone he can take off from Atlanta at a certain time when the likelihood of its occurring is nil."

Mr. Levitas said the problem involved the issue of truth in advertising and the rights of the consumer. He is chairman of the Subcommittee on Investigations and Oversight of the House Public Works and Transportation Committee. The panel has taken a leading role on safety and other aviation issues.

Limited measures to curtail overscheduling and help cut congestion are now being studied by the Federal Aviation Administration, and the industry appears

more willing to cooperate than it has in the past.

Alfred E. Kahn, the former Civil Aeronautics Board chairman who was the main force behind airline deregulation, said his free-market philosophy could be extended to cut flight delays.

"We should raise landing fees for planes in busy hours," Mr. Kahn said, and charge higher fares. The result, he contended, would be fewer flights at those hours and more flights in off-hours, when fares would be cheaper.

Airport congestion has been a periodic problem since at least the late 1960s. But the public frustration has been more acute in recent months because of the abrupt worsening of delays this year.

For the first six months of 1984, the number of delayed flights, defined as those taking off or landing 15 minutes late, was 73 percent higher than for the same period a year ago. The total number of flights was up about 10 percent. As of Thursday, about 230,000 of around four million flights had been delayed.

The FAA has not calculated which airports are most affected by overscheduling. But officials said the worst six probably are La Guardia and Kennedy in New York, O'Hare in Chicago, and the

main airports in Denver, Atlanta and St. Louis.

Air traffic experts said the delays are no worse than at the end of the 1960s. They said the big difference is that passengers think the delays are worse because they take place on the ground, at the departure airport, rather than circling near the plane's destination.

"Many passengers don't understand the philosophy of taking delays on the ground," said Frank Bombardieri, manager of the La Guardia control tower. "Psychologically it seems worse. But it's safer this way."

Modest hope for some relief from air traffic congestion was raised by a conference last month in which 20 government officials, mostly from the aviation agency, and 20 industry officials had three days of intensive sessions on the issue.

Proposals from the conference are being studied by the FAA and industry executives. Short-term improvements are expected from now to the end of the year. But experts warn that no panaceas are available and that immediate relief will be limited.

The FAA plan for dealing with the delays, including an improved approach to scheduling, is expected to be made public soon.

Poles, Catholic Church and the West Looking to Jaruzelski for Next Move

By Bradley Graham
Washington Post Service

WARSAW — By promising to free all political prisoners, Poland's leader, General Wojciech Jaruzelski, has removed a major irritant in relations with the West, the Roman Catholic Church and Polish society.

But he has not assured himself or his country peace on any of those fronts.

As a one-shot gesture, the amnesty, declared July 21 and being gradually carried out now, caught the world's attention, gained widespread approval and brought some concessions last week from the United States, which lifted several long-standing economic sanctions.

But as with the aftermath of last year's stirring visit by Pope John Paul II, the question being asked now is whether the Jaruzelski government can and will capitalize on the positive, expectant mood prompted by the amnesty, or whether there will be another lapse to repression and political stalemate.

"We are not sure what the government's general intention was," said a lay adviser to the Roman Catholic primate of Poland, Cardinal Jozef Glemp. "If they thought they were simply closing the moral-law period and its consequences by freeing all the prisoners, they were making a grave, shortsighted political mistake. If, on the other hand, they were taking the first step toward a comprehensive political solution, particularly toward trade-union pluralism, then the amnesty was a very good move."

Similar reservations about General Jaruzelski's intentions lay behind President Ronald Reagan's measured response last week. Although the bans on landing rights for the Polish airline LOT and on scientific and cultural exchanges with Poland were removed, the more damaging sanctions — the freezing of new credits, the suspension of normal tariff concessions and the blocking of Polish mem-

bership in the International Monetary Fund — were left in place pending further liberalization.

Contributing to the confusion about Polish intentions are the continuing conflicts between pragmatic and hard-line factions in the Polish leadership, which show little evidence of being reconciled. Those divisions were mirrored in the structure of the amnesty, which coupled a sweeping release of prisoners with a stern line toward the underground.

General Jaruzelski's rule can thus be expected to continue to have the muddle-through quality that has characterized it up to now.

So far, the Polish leadership has given no indication it plans to change its basic ways of governing. A front-page editorial Saturday in the main Communist Party daily newspaper rejected appeals for a return to the political pluralism enjoyed during the 1980-81 Solidarity era.

The authorities have conceded

Solidarity Leader Calls for Meeting

WARSAW — A Solidarity leader released from prison under the government's amnesty says activists of the outlawed labor federation should meet to discuss how to improve organizing efforts in factories.

Wladyslaw Frasyniuk, who eluded the police last week to meet with another underground figure, Zbigniew Bujak, said in a telephone interview that it would be "very difficult" to plan the meeting because some prisoners have not been released and others were undergoing medical treatment.

"There won't be any earlier date than September, since one still has to talk to the people from factories and to activists in the regions," said Mr. Frasyniuk.

nothing. Rather, they have warned the released activists not to resume political activity and have insisted that underground members seeking amnesty must admit to wrongdoing first.

Union organizers who have been freed so far have quickly expressed determination to carry on a campaign for worker rights. They are already testing their room for maneuver, urging reunions of the old Solidarity leadership and conferring with underground activists under the noses of the police.

The government's posture for the moment seems a restrained one of assessing the speed at which the freed Solidarity leaders resume opposition activity and, most importantly, the speed at which the West moves to normalize relations.

The Reagan administration has shown it is in no hurry. This has disappointed and angered Polish officials, who hoped the scope of the amnesty would trigger the removal of all remaining sanctions. Normalization of U.S.-Polish relations looks to be months away.

Nor can General Jaruzelski now count on smooth relations with the Roman Catholic Church, with which he has been seeking an accommodation. The church has joined a chorus of Solidarity activists in saying that the amnesty is not worth much unless it is followed by the establishment of more credible institutions.

So what is the government to do? One ruling-faction, which possibly includes General Jaruzelski, seems by various accounts to recognize that reducing the government's isolation will require long-term conciliatory measures. On the trade-union issue, the authorities have at least allowed those politically tame unions started in the wake of Solidarity's demise some leeway in battling enterprises and ministries on wage rates.

But other factions representing party, military and police apparatuses continue to resist moves that might again result in a loss of power.

UN Opens New Drive on Cyprus Issue

The Associated Press

VIENNA — Javier Pérez de Cuellar, secretary-general of the United Nations, conferred with a Greek Cypriot representative Monday to begin a new personal initiative for the resumption of talks between Greek and Turkish Cypriots on the island.

anda Cub Born Dead

Washington's Zoo

WASHINGTON — Ling-Ling, a giant panda at the National Zoo, gave birth to a stillborn male cub on Sunday. Zoo officials said Monday that they have been unable to determine the cause of the cub's death.

The 5-ounce (141-gram) cub was the result of a mating March 19 between Ling-Ling and the zoo's male panda, Hsing-Hsing. It was his second mating in nine years of trying. The first, last year, produced a male cub that died of a respiratory infection three hours after birth in July 1983.

"The secretary-general put forward some working points — not proposals, points for studying," said Andreas Mavromatis, the Greek Cypriot representative.

Mr. Pérez de Cuellar was scheduled to talk Tuesday with Necati Munir Ertekin, the Turkish Cypriot representative.

Talks between the two communities, which have been going on intermittently under UN auspices for the past 20 years, collapsed 15 months ago.

In earlier statements, Mr. Pérez de Cuellar made it clear that he did not expect a breakthrough in his current meetings. He said he was trying to arrange an agreement for full negotiations at a later date.

"The secretary-general's efforts don't end with this meeting here," said Mr. Mavromatis. "We will need a lot more time to return home and consider the matter."

The main obstacle to a resumption of the talks continues to be last November's unilateral declaration of independence by the Turkish Cypriots in the Turkish occupied part of Cyprus, Mr. Mavromatis said.

Establishment of the Turkish Republic of Northern Cyprus

has been assailed by the UN Security Council, which has demanded an end to its unilateral declaration of independence. Turkey is the only government that has recognized it. The Mediterranean island has been unofficially partitioned since July 1974, when Turkey invaded and occupied its northern third.

Turkey has ignored a series of UN General Assembly and Security Council resolutions demanding reunification of the island and the withdrawal of the Turkish occupation forces, believed to number 25,000.

Pope Plans Stop in Spain

Reuters

MADRID — Pope John Paul II is expected to make a brief stop in Spain on Oct. 11 on his way to the Dominican Republic and Puerto Rico. Roman Catholic Church sources said Monday. The pope made a 10-day tour of Spain in November 1982, the first papal visit to the nation.

Moscow Reported Ready to Sell Top Fighters to India

The Associated Press

NEW DELHI — India has concluded a multimillion-dollar deal with the Soviet Union to purchase MiG-29 Fulcrum fighter jets that were only recently put into use in the Soviet Air Force, according to a government source.

The deal, reported Sunday, makes India the only nation to which the Soviet Union has sold MiG-29s, which can fly at more than twice the speed of sound. They have an all-weather capability and are highly maneuverable.

During the March visit to New Delhi of the Soviet defense minister, Marshal Dmitri F. Ustinov, India urged the Soviet Union to sell it an improved MiG series to counter the sophisticated F-16s sold to Pakistan by the United States.

Before returning to Moscow, Marshal Ustinov agreed to sell India sophisticated ships, fighters, missiles, army hardware and electronic surveillance systems on a priority basis.

New U.S. Army Fatigues Meet Heated Opposition

By Rick Atkinson
Washington Post Service

WASHINGTON — Five years after the U.S. Army rushed to buy new combat garb intended to help hide a soldier's telltale heat emissions from enemy detection scopes, some of the uniforms are being replaced because of complaints that they are too hot and ill-fitting.

"We sometimes are our own worst enemies" on the uniform issue, General John A. Wickham Jr., the army chief of staff, told a closed House subcommittee hearing last spring in testimony recently released.

"With all deference to my predecessor [General Edward C. Meyer], we rushed into the BDU, or battle dress uniform, said General Wickham, who became chief of staff last year. "If we had taken the BDU and put it on soldiers for a year and wrung out the problems with it... I think then we could have gone to manufacturing, and we might have had a better learning curve."

Instead, according to army officials, after a "very short test period" the army in 1979 agreed to buy 13.4 million sets of BDUs for \$422 million to replace the green fatigues worn by soldiers over the last generation.

The half-nylon, half-cotton BDUs have a "woodland pattern" of green, brown, black and tan camouflage dyes intended to suppress the wearer's infrared rays, which can be detected at night by an enemy with heat-sensing devices.

But as troops began wearing the BDU in 1980 and 1981, many found that the uniforms were uncomfortably hot, especially in warm climates, and caused them to perspire and potentially generate a

more prominent infrared "signature."

An army communiqué on the BDU last year noted that "responses from the field were universally unfavorable," and that "the uniform does not 'breathe' and retains heat."

The army announced in July that a new, all-cotton, "hot-weather BDU" would be issued beginning in October 1985.

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SPORTS

Royals Sweep Slumping Tigers, 5-4, 4-0

Compiled by Our Staff From Dispatches

DETROIT — Pat Sheridan keyed a four-run first inning with a two-run home run and Charlie Leibrandt pitched eight shutout innings here Sunday as the Kansas City Royals beat Detroit, 4-0, to sweep a doubleheader and the four-game weekend series.

The Royals won the opener, 5-4, when Dane Iorg doubled home two runs with two out in the ninth, breaking a 3-3 tie.

The Tigers have dropped six of their last seven games and their 12½-game lead in the American League East is down to eight over

Whitaker and Alan Trammell before Chet Lemon popped out. Quiñones' 29 saves ties him with Bruce Sutter of St. Louis for the major-league lead.

The Royals took a 2-0 lead in the fourth. Orta doubled off Dave Rozema, went to third on long's grounder and scored on a single by Motley. Motley moved to second on Frank White's single, took third on Onix Concepcion forced White and scored on John Wathan's base hit. Kansas City made it 3-0 in the sixth on a home run by White, his 12th of the year; the most he had ever hit was 11 in 1982 and again last year.

Trammell led off the home sixth with a walk off Mike Jones, went to second when third baseman Brett committed an error on Lance Parrish's grounder and scored on a single by Barbaro Garbey. Larry Herndon doubled to drive in Parrish and Garbey and tie the game.

Blue Jays 4, Orioles 3
In Baltimore, Cliff Johnson set a major-league record by hitting his 19th career pinch-hit homer to give Toronto a 4-3 verdict and a sweep of its three-game series with the Orioles. Batting for Willie Aikens in the eighth, Johnson broke Jerry Lynch's record when he hit his 11th home run of the season, off Tippy Martinez, to snap a 3-3 tie.

Yankees 4, Indians 0
In New York, Vic Mola hit his first major-league homer and Ray Fontenot and two relievers combined on a one-hit shutout as the Yankees won their eighth straight 4-0 over Cleveland. Fontenot (5-6) did not allow a hit until Brock Jacoby singled with one out in the sixth.

Red Sox 4, Rangers 2
In Boston, Tony Armas hit his 30th home run of the year and Rich Gedman his 13th to lead the Red Sox past Texas, 4-2. In relief of Al Nipper (4-4), Mark Clear struck out the side in the ninth to record his fourth save.

White Sox 7, Milwaukee 0
In Milwaukee, Greg Luzinski and Julio Cruz had two hits and two RBIs as Chicago's 7-0 Milwaukee has lost eight in a row; the White Sox have won six of their last seven.

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In Anaheim, California, Tom Brunansky's two-run third-inning homer — his third in as many games — propelled Minnesota past California, 4-2. The victory put the Twins in first place in the Western Division by a half-game over the Angels.

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East-Bloc Swimmers' Absence Key to U.S. Medal Dominance

By Frank Litsky

New York Times Service

LOS ANGELES — When the Olympic swimming competition closed Saturday night, two conclusions were obvious.

First, the United States won far more gold medals and total medals than any other nation. And second, that domination would not have been the same had all the Soviet-bloc nations been here.

Had the East German and Soviet swimmers been present, the only difference in the men's competition might have been two fewer gold medals for the Americans. Vladimir Salnikov of the Soviet Union probably would have won the 400-meter and 1,500-meter freestyles. As it was, U.S. men won 9 gold medals and 6 silvers in 15 events.

The women's outcome surely would have been different. The Americans won 12 gold medals (2 in a dead heat) and 7 silvers in 14 events, a numerical domination greater than that of the American men. But in this case, the numbers lie.

Had the East German women been here, they and not the Americans might have won all those gold medals.

The only Americans who figured to have a good chance of winning would have been Mary T. Meagher in butterfly events, Tracy Caulkins in the individual medley and Tiffany Cohen in distance freestyle.

Each won two individual gold medals, and Meagher probably would have won them in any case. Caulkins and Cohen would have faced more difficult battles.

One test of the quality of competition is the winning times. In that respect, the men fared well and the women did poorly.

In the men's competition, world records fell in 10 events and the Olympic record in all but one. The only Olympic record that survived was Salnikov's 1980 performance in the 1,500-meter freestyle.

In the women's competition, every world record survived and only five Olympic records fell.

Don Gambini, the U.S. head coach, is normally a placid man. But after the final race, when he was asked when Americans would catch up with the rest of the world in certain events, he became testy.

"Why don't you look at the events where we are doing well?" he said. "This was a strong United States team and it did well."

That much is true. It is also true that this team will never exist again because so many of its stars ended their swimming careers here.

The releases include Rowdy Gaines, Steve Lundquist, Nancy Hogshead and Caulkins.

All were members of the team that probably would have dominated the Moscow Olympics had the United States not boycotted. All stayed in swimming for another chance at Olympic glory, and all succeeded.

Among them, including relays, they won 11 gold medals and a silver.

In almost every case, the post-Olympic swimmers are saying goodbye to swimming.

Of the four U.S. men who swam on the team that broke the world record in the 400-meter medley relay, two (Gaines and Lundquist) are retiring and two (Rick Carey and Pablo Morales) will continue to swim.

Of the four who swam on the team that broke the world record in the 800-meter freestyle relay, two (Jeff Float and David Larson) will retire and two (Mike Heath and Bruce Hayes) will continue to swim.

The stars of Olympic men's swimming were Michael Gross of West Germany and Alex Rammann of Canada.

Each won two gold medals and broke two world records. Gross also won two silvers, one in the 800-meter freestyle relay.

In an exciting race, although Gross swam the fastest relay leg over, Hayes held him off by four one-hundredths of a second — about 3 inches.

That U.S. relay team is reaping an unexpected reward. The four swimmers were delighted. Hayes was also appreciative.

"I don't have money for a plane ticket," he said.

"They're paying for the works," said Float. "You're in the big time now."

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SCOREBOARD

Baseball

Sunday's Major League Line Scores

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AMERICAN LEAGUE

First Game

Kansas City	003 001 002-5 16 1
Detroit	009 002 001-7-4 12 1

Walters (13), Hernandez (13), and Parsh. W-Sabateron, 64, L-Hernandes, 61. HR-Kansas City, Walt (2).

Second Game

Kansas City	009 000 005-6 2 2
Detroit	002 000 001-3 11 1

Parsh, Gutsenberry (9) and Slaughter; Benarough and Castillo, Parsh (8), W-Labrador, 64, L-Benarough, 58. HR-Kansas City, Benarough (4).

Third Game

Seattle	000 010 001-0-2 6 2
Texas	002 100 010-11 11 0

Gray, Jones (8) and Smith, 64, L-Miller, 64, C and Gedding, W-Nipper, 64, L-Huegh, 11-10. HR-Texas, O'Brien (13), Hernandez (13), and Hernandez (13).

Fourth Game

Cleveland	000 000 005-0-4 2 2
New York	001 001 005-6-6 2 2

Smith, Hoffman (5) and Smith, 64, L-Armstrong, 64, (Mikro) (9) and Carano, Wyner (9), W-Fantash, 54, L-Hernandez, 54. HR-New York, Miko (5).

Fifth Game

Toronto	000 000 010-0-10 11 1
Baltimore	001 001 100-0-11 11 1

Alexander, Gort (7), Kay (7), L-Kay (7), W-Kay (7), 54, L-Kay (7),

SPORTS

Moses Wins, Extending Record; Ashford Takes 100

Compiled by Our Staff From Dispatches

LOS ANGELES—Sunday may have been the most emotional day yet for U.S. athletes competing at the 1984 Summer Olympics.

On a day when Edwin Moses, Evelyn Ashford and Joan Benoit won gold medals in track, U.S. swimmers and one boxer suffered devastating disappointments and gymnast Mary Lou Retton could not add individual gold medals to the gold she earned in Friday's all-around competition. Ecaterina Szabo of Romania gained a measure of revenge for her loss to Retton in the all-around with three gold medals in Sunday's individual competition.

Moses easily extended one of the most remarkable streaks in track history by winning his 90th consecutive 400-meter hurdles final and his second Olympic gold medal in the event, the first coming eight years ago in Montreal.

Immediately following the race, Moses said: "This will be the last time."

"This one was for my dad. He died in December, and I dedicated this race to him."

After his victory over teammate Danny Harris in a time of 47.75 seconds, Moses took a long victory lap around the Los Angeles Coliseum before pausing to hug his wife and his mother.

Ashford burst past the field in the final 20 meters of the women's 100-meter dash to win the gold in a time of 10.97, slightly slower than her world-record time but fast enough to break the Olympic mark of 11:00 set by Wilma Rudolph in 1960 and tied by Wyomia Tyus in 1968.

Benoit led almost the entire 26 miles 385 yards in the first woman's marathon in the Olympics and won the race easily over silver medalist Grete Waitz of Norway.

The track gold medals by Benoit and Ashford were the first by U.S. women since the Mexico City Games in 1968.

Canadian rowers made history of their own, being the first men from their country to ever win the Olympic eight oars with coxswain. Canada's victory was a bitter blow to the U.S. eight, which rallied from a boat length behind in the final 500 meters to come within less than a meter of the Canadians before ultimately losing by four-tenths of a second.

The silver medal did little to console the Americans who barely ac-

knowledgeed the crowd during the award ceremonies.

Also disappointed was 119-pound boxer Robert Shannon. The only member of the 1980 U.S. boxing team to make this year's team, Shannon was knocked out in the third round of his bout with Korean Sung Kil Moon. Shannon, who defeated three-time world champion Floyd Mayweather to make the team, was leading the fight when Moon knocked him out at 1:14 of the third.

Two other U.S. boxers, 139-pounder Jerry Page and Meldrick Taylor, boxing at 125 pounds, won unanimous decisions to advance to the quarterfinals.

The United States did win a gold medal in rowing. Lewis Bradley and Paul Enquist charging from behind in the final 100 meters to win the double sculls without coxswain.

The other highlight of the rowing was the third straight gold medal in single sculls won by Finland's Pertti Karppinen. As he had done in his victories at Montreal and Moscow, Karppinen, 31, closed with a rush to win the 2,000-meter race.

Two U.S. women's teams that have never won gold medals in their sport moved within one step of doing so.

The women's basketball team routed Canada, 92-61, to set up a gold-medal game Tuesday night against South Korea. A team it demolished last week.

Quite possible, if not as probable, is a gold medal for the women's volleyball team. The U.S. squad swept three games from Peru in Sunday night's semifinals to move into Tuesday's final, where it will face the China-Japan winner.

The United States defeated world champion China in a preliminary-round match last week.

Carl Lewis also moved toward another gold Sunday—his second—easily qualifying for the long jump final with a leap of 27 feet 2 1/4 inches (8.34 meters). The final was scheduled for Monday night.

The closest thing to a surprise during Sunday's track and field competition came when defending Olympic 800-meter champion Steve Overt of Britain had to lunge across the finish line in his semifinal heat to make it into the finals.

Other U.S. medals Sunday went to gymnast Kathy Johnson (bronze, in the balance beam), the 100-kilometer cycling team

(bronze, in the team trial) and three rowing teams that won two silvers and a bronze.

Italy won the cycling gold, but the bronze gave U.S. cyclists a final total of nine medals, impressive considering U.S. cyclists had not won an Olympic medal since 1912.

The boycott by the Soviet Union and East Germany, two powers in Olympic cycling, had somewhat di-

minished the competition's quality.

In other gold medal performances, Nicu Vlad, a Romanian army officer, lifted Olympic records for the snatch, clean and jerk and total weight to capture the middle heavyweight (90-kilo) division; Yoshiyuki Matsuka of Japan defeated Jung-Och Kwang of South Korea for judo's half-lightweight title; and Italy defeated

West Germany to win the men's team foil in fencing.

Li Yuhua of China outlasted Kelly McCormick of the United States in a seesaw battle to become the top qualifier for Monday's finals in women's springboard diving. Li was the leader of 12 divers, scoring 517.92 points to 526.75 for McCormick.

Away from the competition, one medal already won, was lost. The International Olympic Committee stripped Swedish wrestler Thomas Johansson of the silver he won in the Greco-Roman super-heavyweight division after his drug test for steroids came up positive. Johansson had lost to American Jeff Blatnick, who overcame Hodgkin's disease to return to wrestling and win the gold medal. (I.P.P.)

Winner Benoit Buoyed by Coliseum Crowd

By Jane Leavy

Washington Post Service

LOS ANGELES—They gave her the American flag and she picked up the pace. Joan Benoit is used to running alone and in silence. But on that victory lap around the Los Angeles Memorial Coliseum on Sunday morning she was embraced by the warm roar of a crowd gathered to see the winner of the first Olympic women's marathon—and her marathoner's heart quickened just a bit.

For 26 miles 385 yards, she looked straight ahead, hiding her emotions under a white painter's cap with an upturned brim.

Now, finally, she pulled her cap from her head and her emotions were there for everyone to see as she held the flag, and herself, out to them. The Coliseum and everyone in it were hers.

Not until Benoit approached the finish line for the second time did Grete Waitz, her Norwegian rival, emerge from the darkness of the tunnel leading into the Coliseum. It had been that way since the third mile; Benoit leading, Waitz trying to make up the distance between them.

"We have an expression in Norway," said Waitz's husband, Jack. "The train had already left the station."

Benoit finished in 2 hours, 24 minutes and 52 seconds for the gold medal and the third-fastest women's timing ever. Waitz was clocked in 2:26:18 for the silver and Rosa Mota of Portugal took the bronze in 2:26:57.

As Benoit and Waitz embraced at midfield, Gabriela Andersen-Schiess staggered into the stadium. For 400 agonizing meters Schiess staggered, zig-zagging, toward the finish line, cramping and dragging her left leg in pain. Suddenly, the Coliseum belonged to her, as 75,000 people alternately pleaded

for her to finish or for her to be stopped.

The medical personnel ringing the track allowed her to continue, spurring anguished arguments about their moral responsibility. Schiess, a 39-year-old ski instructor who holds a dual Swiss-U.S. citizenship, collapsed in the arms of two medics after finishing 37th in 2:48:42. She was treated for heat exhaustion and dehydration and was released into the care of the Swiss team physician. She was not hospitalized.

"The one thing for me was to finish," she said. "I had gotten that far and I had worked so hard to be in the Olympics. I saw the finish line and I wanted to finish. . . I didn't want to collapse in the middle of the stretch."

Richard Greenspun, chief medical officer for athletes for the Los Angeles Olympic Organizing Committee, called Schiess's performance "one of the most courageous things I've ever seen." He said, "There was no question of her health being in jeopardy."

Waitz called it "a tragedy," saying Schiess should have been stopped. "What her body went through the last three or four miles, it takes a long time to recover from," she said. "I don't think she realized where she was. I don't like to watch that. I felt so sorry for her."

Doug Clement, the physician for the Canadian team, said, "If it would have been a Canadian athlete, even in first place, good God, you shouldn't let that happen. There were tears in my eyes. It was the dilemma of all time. Do you tackle her and stop her or do you let her go and have blood on your hands?"

It was a graphic reminder of why it had taken so long for Olympic officials to allow women to run the marathon, one of the most grueling of events. The contrast between Schiess and Benoit was telling. "I don't know how to say this without sounding cocky," Benoit said, "but it was a very easy run for me today."

She said she never intended to run as fast as she did or to take the lead when she did. The first mile was achingly slow, 6:27, which would have been a 2:50 marathon pace. Benoit made her move shortly before the three-mile mark. "I picked it up expecting everyone to follow," she said.



Marathoner Benoit: The Coliseum and everyone in it were hers.

They didn't. She was alone with the crowd that began lining the course at 7 A.M. "I thought to myself, 'This is the Olympic marathon, you're going to look like a showboat and then fall off the pace at the half,'" she said.

The pace was hardly explosive. She averaged 5:30 a mile over the distance with two 5:17s and a 5:14 thrown in on a downhill stretch toward the beach. Her time at 10 miles was 55:56, compared with her 51:38 when she set the world-best 2:22:43 at the 1983 Boston Marathon.

"I was afraid of the heat in the end," Waitz said. "So I didn't go out, I was afraid of dying."

But Waitz had another concern that she was reluctant to discuss. On Saturday she had developed a muscle spasm in her back, the result of a recurring injury that dates from her cross-country days. "I could move forward and sideways but I couldn't stretch," she said.

She received physical therapy treatment and went for a 40-minute walk with a seven-pound pack and two sweaters on at the advice of the Norwegian team physician.

"I don't like anyone to think I am using this as an excuse," she said. "I'm not."

With the Spirits High and Costs Low, Games' Private Gamble Is Paying Off

By Robert Lindsey

New York Times Service

LOS ANGELES—The Games of the XXIII Olympiad are only half over, but evidence is growing that private enterprise has succeeded in pulling off what only government has done before.

Not everything has gone perfectly. There is still time for bigger things to go wrong. But the prevailing view among many participants is that the gamble by Los Angeles to stage the first Olympics organized, financed and managed by what bureaucrats and economists call "the private sector"—business and others outside government—has already been won.

There is no way we won't have a surplus," says Peter Ueberroth, president of the Los Angeles Olympic Organizing Committee. The committee of business people agreed to stage and finance the Games in 1978 after local residents made it clear that they would block attempts to tax them for the Olympics.

There are other indications of success. Los Angeles is on an Olympic high. After years in which it was fashionable for Californians to scoff at the Games as a nuisance and a raid on the public treasury, a sense of euphoria is gripping much of the city.

Some of the high spirits have undoubtedly been generated by a sense of relief that Olympic-size traffic jams, congestion and other problems that had been forecast for years have so far failed to materialize.

Some of the euphoria is probably a reflection of the patriotic pride generated by the strong showing of U.S. athletes in the Games. Their number of gold medals increased by the absence of competitors from 14 Soviet-bloc countries.

But there is also a sense of satisfaction that Los Angeles—by using existing facilities for most Olympic needs, by recruiting thousands of volunteers to cut labor costs and by raising more than \$350 million from corporate sources—has demonstrated that cities elsewhere can arrest the soaring costs of hosting Olympic Games.

One can argue that the Los Angeles Games are "commercialized." There is an official sponsor for this, an official sponsor for that. Companies feud and sue each other over which has the right to print the Olympic logo on their glassware and dolls.

But in an epoch when Madison Avenue's influence seems worldwide, with the exception of some Communist countries, the commercialization here does not seem all that intrusive. And it merely reflects the reality of the growing commercialization of sports in general as a result of the economic power of television.

More than 1 million people have already seen the Games in person; more than 2 billion are expected to watch them on television.

People may still revere the values of the Olympic amateurism of ancient Greece or Victorian England. But now, as much as anything else, the Olympic Games are a giant TV show.

The other day, Carl Lewis, the U.S. superstar, was asked at a news conference if he was troubled by statements by his manager that if he achieved his goal of winning four gold medals it would mean millions a year to him from commercial endorsements.

"I think ABC paid in the neighborhood of \$225 million for the Games, and corporations also paid a

lot," Lewis answered. "And I heard a rumor that there will be millions left over."

"I think what we're talking about is minuscule compared with that," he said.

According to Ueberroth, the cost of mounting the Olympics will total about \$497 million—"about 5 percent of what they spent in Moscow in 1980."

How did they pull it off with virtually no government help? Besides \$225 million the committee is scheduled to receive from ABC for U.S. and Canadian broadcast rights (the final \$15 million payment is still in negotiation because of the Soviet-led boycott), it has taken in more than \$115 million in cash and other contributions from corporations and millions more for TV rights in other countries.

Ueberroth guards details about the LAOOC's finances like a professional cardplayer protects his hole card in a high-stakes stud poker game.

Publicly he says he expects a surplus of about \$15 million when the Games end Sunday. The money is to be used for subsidizing amateur sports activities.

But there are some informed observers, doing their own arithmetic, who have speculated that the surplus may end up a lot larger than that.

These same observers also question the committee's claims of a "tax-free" Olympics. Congress appropriated \$50 million for possible federal costs in the Games, and the police officials in several communities claim they are not being reimbursed adequately for their added costs of providing security.

But taxes from economic activity generated by the Olympics will probably offset much of that cost, and there seems little doubt that the 1984 Games, with the help of private business, will cost less to taxpayers than any Olympics in recent history.

In offering to conduct the Games with little government money, the organizers knew they would have access to publicly owned Los Angeles Memorial Coliseum, site of the 1932 Games, the Rose Bowl in Pasadena and other facilities that would have cost hundreds of millions to build.

They also searched for miles around to find additional facilities that could be adapted for the Games. Another key to the organizers' success was their recruitment of about 50,000 volunteers, saving millions in wages.

"We've got bank presidents serving as ushers, women with huge diamonds on their fingers—650 volunteers," said Robert Caughran, manager of the water polo facility at Pepperdine University. "They want to be part of a great happening."

Volunteer Joyce Dietz agreed: "It's a once-in-a-lifetime thing for all of us."

There's a perception here that the Olympic Games will never be the same after Los Angeles.

Some have suggested that the most lasting contribution of the first Olympic Games managed by businessmen instead of bureaucrats may not be learning how to save money, but how to raise it. It took businessmen to realize how valuable television rights to the Olympics had become, pushing ABC to bid \$225 million for the rights (more than three times its bid for the Moscow Games) and beginning an escalation of rates for future Games.



Edwin Moses winning the 400-meter Olympic hurdles final.

Racing Into History

By Dave Anderson

New York Times Service

LOS ANGELES—Soon after Edwin Moses breezed through his first qualifying heat in the Olympic 400-meter hurdles last Friday, he was asked if he ever thought about losing. "No," he said. "I haven't."

No reason he should. Even before he won his Olympic final Sunday night, Moses reigned as the most dominant runner in track history. He has now won 105 consecutive races in the 400-meter hurdles, including 90 finals. He had not lost since Aug. 26, 1977, in West Berlin when he finished behind Harald Schmid of West Germany, a year after having won the Olympic gold medal at Montreal.

When he was asked recently if he remembered how he felt when he lost that nearly seven years ago, Moses replied, "No." Quietly, firmly.

In the majesty of what he has accomplished, 28-year-old Moses, who lives now in Laguna Hills, Calif., after having grown up in Dayton, Ohio, apparently not only doesn't think about losing, but also doesn't even remember what it was like to lose. In addition to his streak, he has set and reset the world record four times. With his time of 47.75 seconds Sunday night, he holds 18 of the 19 fastest times, having broken 48 seconds 28 times; only three others have done a total of five times.

By winning the final, Moses joined Paavo Nurmi, the Flying Finn of more than half a century ago, as the only Olympian runners to win the same event eight years apart.

Nurmi won the 10,000-meter run in Antwerp, Belgium, in 1920 and won it again at Amsterdam in 1928; in between, in 1924 at Paris, another Finnish runner, Ville Rista, won the 10,000 after having broken Nurmi's world record six weeks earlier. Because of his rival's record-breaking performance, Nurmi was ordered to run the 1,500 and the 5,000 by his country's Olympic officials. Peevish, he won both. But he did not run in the 10,000.

No runner has ever won the same event in three consecutive Olympics, but if it had not been for the U.S. boycott at Moscow in 1980, Moses almost certainly would have had the opportunity Sunday night to achieve that unprecedented triple.

Some athletes burst into the world's consciousness immediately, as Muhammad Ali did in boxing, as Carl Lewis is doing as an Olympic sprinter and long jumper. Others need more time. Moses was one of those who needed more time. Too much time.

Even as his streak mounted in its early years, Moses was virtually ignored, the public being either unwilling or unable to see the man who often competed with sunglasses to shield his sensitive eyes. But with the approach of the Olympics and with the memory of his having won his race despite an untied lace tapping on his left red shoe in the world championships at Helsinki

last year, he has emerged as one of the symbols of these Summer Games.

Hurdling has been an Olympic event since the resurrection of the modern games in 1896 at Athens, but Moses has projected it as never before. In the 400 meters, he skims over 10 hurdles, each 36 inches high, each 13 strides apart—at least for him. Other hurdlers require 15 strides, but with his long legs, the 6-foot-2-inch (1.87-meter) Moses is a born hurdler, the best the world has ever seen at 400 meters over those 10 hurdles.

His winning streak is believed to be a record for a runner in any one event.

Iolanda Balas, the Romanian high jumper, won in 140 consecutive meets. Parry O'Brien, now in the U.S. Olympic Hall of Fame, had 116 consecutive victories in the shot put. But both competed in field events, in which a competitor has several opportunities to do his or her best that particular day.

As a hurdler, Moses doesn't get a second chance. Either he wins his race or he doesn't. And for nearly seven years, he has always won.

For his Olympic semifinal last Saturday, Moses appeared in his blue USA warmup suit, his body jiggling as he moved toward the No. 3 box identifying his lane. Soon he took off his blue jacket and dropped it into the little white shopping basket with his lane number on it. Several minutes earlier, eight girls had marched out onto the track, each carrying a basket with a lane number on it for each of the eight runners.

Around that same time, four yellow flatbed carts had hauled the 80 hurdles, 20 to a cart, around the track to be placed precisely by the officials in their yellow blazers, gray slacks, white sneakers and white straw hats with pink handbands.

Moses, meanwhile, had taken off his blue jacket. Soon he was running easily up the track in his red USA shirt and waving a friendly hand to the spectators applauding him as he rounded the turn.

After his leisurely warmup, Moses returned to the starting area. By this time, the other runners were sitting on the boxes denoting their lanes, but Moses stretched out flat on his back, his head propped on a pillow formed by towels, his No. 924 on a piece of paper across his stomach. The others were sitting in the sun that was slanting behind the Coliseum's western rim. But by laying flat on his back below his box, Moses was completely in the shade. Cool.

Several minutes later, the voice of the public-address announcer could be heard saying, "400 meter hurdles—men."

Moses got up to go to work. Without appearing to be running hard, he won his semifinal easily in 48.51 seconds. He had qualified for the final, which he, like everybody else, assumed he would win for his Olympic gold medal.

Moses doesn't think about losing.

Szabo Recoups in Gymnastics Finale

By Lawrie Miffelin

New York Times Service

LOS ANGELES—Mary Lou Retton had already made off with the big prize, but Sunday night Ecaterina Szabo won almost all the little ones.

The 17-year-old gymnast from Romania won the gold medals in all three of her events in the women's individual-apparatus finals that concluded the gymnastics competition of the 1984 Olympics. She won the floor exercise and the vault and shared first with a teammate, Simona Pauca, on the balance beam.

Szabo did not qualify for the finals on the uneven parallel bars, where Julianne McNamara of the United States shared the gold with Ma Yanhong of China as each won a 10 from the judges.

Retton, who Friday night won the gold medal that shines brighter than the others, the individual all-around championship, got no golds Sunday. But she gave a good all-around performance and won a silver and two bronzes.

In addition to her gold on the uneven parallel bars, McNamara won the silver in floor exercise behind Szabo, and Kathy Johnson earned the bronze on the balance beam, giving the United States a total of six medals.

Until Retton won the all-around title, no U.S. woman gymnast had ever won an individual Olympic medal. Aside from Linda Meilany's fourth-place finish on the balance beam in 1968, no American woman had even qualified for the individual apparatus finals.

"Winning the all-around title and being able to say 'I'm an Olympic champion' is the highest thing I ever dreamed of," said the 16-year-old Retton, the only woman from any country who qualified for all four event finals Sunday. She got her bronze medals on the uneven bars and in floor exercise and her silver for vaulting.

Romania had four golds and one bronze Sunday and China had the other medal, the gold Ma shared with McNamara.

"Tonight was a special night for me," said the 18-year-old McNamara, whose mistakes on her floor exercise and balance beam routines in the all-around competition cost her a medal. "I didn't have my best competition in the all-around, but I kept my spirits up and knew I had to do well tonight. It's even more special knowing that I made myself fight back."

Not only did she score a 10 and share a gold in her specialty, the uneven bars, but she also had a 10 and won the silver in floor exercise (because Szabo also scored a 10 and had a higher preliminary score, she won the gold).

There was a delay of about seven minutes before Szabo's floor routine, the final performance of the Olympics in gymnastics, because of a power outage that blacked out Pauley Pavilion. When power was restored, McNamara's 10 flashed on the scoreboard, and then Szabo went out and matched it with beautiful tumbling.



Ecaterina Szabo winning her gold medal in the vaulting final.

Retton's tumbling had been even higher and more difficult, but she stepped off the mat briefly on one of her landings and was marked down to 9.85.

Individual-apparatus competition features the eight best performers in each individual event, based on an average of their compulsory and optional scores from the team competition. But no country may have more than two performers per event.

Retton and her coach, Bela Karolyi, complained after Sunday's competition that Szabo had broken the rules in the vaulting by not performing two vaults from two different categories, as required.

They insisted she performed a movement called a Cuervo in tuck position and a Cuervo in pike position.

But Mike Jacki, executive director of the U.S. Gymnastics Federation, explained that Szabo listed two vaults with the judges, one a Cuervo and the other a Tsukahara, and that the difference between doing the twist portion of a Tsukahara and the twist portion of a Cuervo was a matter of timing.

"It's a subjective evaluation by the judges whether she performed it as a full-twisting Tsukahara or as a sort of an early twisting Cuervo,"

Jacki said. "The judges obviously felt it was acceptable."

Retton got a 10 on her second vault, a layout full Tsukahara, but she received only a 9.80 on her front one-and-a-half in pike position. As a result, she had to settle for the silver medal. Romanian Lavinia Agache edged Tracee Talavera of the United States by five one-thousandths of a point for the bronze.

Sunday's balance beam head judge, responsible for arbitrating disputes or adjusting scoring that she deems too far out of line, was the 1972 Olympic all-around gold medalist, Ludmila Turisheva of the Soviet Union.

But there was no dispute about the co-winners, Szabo, with a difficult routine performed almost impeccably, earned a 9.95, for a total score of 19.80. It was matched by her 14-year-old teammate, Pauca, whose 9.90 added with a 9.90 preliminary score gave her the same total.

The bronze went to the 24-year-old Johnson, who describes herself as the "graceful old lady" of the U.S. team. With a typically graceful performance, she joined McNamara and Retton as pioneering medalists among American women in individual competition.



Steve Overt of Britain, determined to defend his 800-meter title, sprawled across the finish line in Sunday's semifinal. Struggling down the homestretch in fifth place, he lunged past Khalifa Omar of Sudan and into the final.

ARTS / LEISURE

A Robot Sings, Plays The Piano

By William E. Schmidt
New York Times Service

ATLANTA — Not so long ago, robots were mostly found in factories, faceless machines with spindly arms that did the work of real people, twisting bolts on assembly lines and welding metal to metal.

But now Warner Leisure Inc., a subsidiary of Warner Communications, has installed a fully animated robot, a lounge singer, in a bar in a suburb of Atlanta.

"You remember World War II," says Kevin Brown, a manager of Gadgets Cafe, a lounge and restaurant that has become popular among local singles in Tucker, Georgia, an Atlanta suburb.

Over the past four years, there has been a proliferation of theme restaurants that incorporate the use of animated robot figures to entertain.

Still, he does have his fans. "One night we found \$15 in his tip jar," said Kevin Brown, a manager of Gadgets Cafe, a lounge and restaurant that has become popular among local singles in Tucker, Georgia, an Atlanta suburb.

The audience generally treats Sammy Sands as they might treat most real-life lounge singers: few pay him any attention, and almost no one applauds, even though Sammy ritually thanks everyone anyway.

Simon & Schuster has already begun developing books of Nancy Drew and the Hardy Boys, who were created in 1930 and 1927, respectively. It brought the three youthful detectives together for the first time two years ago in "Super Sleuths," and will soon publish the second collection of both Nancy Drew ghost stories and Hardy Boys ghost stories. It has also published a Hardy Boys survival handbook.

The books have evolved over the years. Nancy Drew's age, for example, was raised from 16 to 18 after World War II, and her roadster became a convertible in the 1950s, and later a sports car. Frank and Joe Hardy had one year added to their ages, so that they are now 18 and 17. They too drive sports cars.

In 1982, a Federal District Court ruled that Grosset & Dunlap, now part of G. P. Putnam's Sons, could continue publishing in hardcover the books that it had already published. That amounted to 56 Nancy Drew titles, 58 Hardy Boys titles and 72 titles of the Bobsey Twins.

Simon & Schuster may now publish all new stories in the series. Nancy Drew is now up to No. 75, the 81st and 82nd Hardy Boys titles are about to be published, and Simon & Schuster has published 11 new Bobsey Twins titles.



Sammy Sands, a robot, plays and sings in a lounge in a suburb of Atlanta.

Warner Leisure has become an aggressive player in that family

marker, too, and the company now operates eight restaurants — which also use the name Gadgets — in seven states. Each employs a whole cast of robotic figures, not only Sammy Sands but also Warner's famous cartoon characters, including Bugs Bunny, Daffy Duck and Yosemite Sam.

The Georgia cafe, however, is the first place in which Sammy Sands has been installed as a solo act in what is basically an adults-only setting. A spokesman for Warner Leisure said the concept will be expanded nationally. A second bar featuring Sammy Sands just opened in Tampa, Florida, and there are plans to open another in Houston later this summer.

At the Northlake Hilton Inn, down the street from Gadgets, Sammy's appearance on the night-life scene has not gone unnoticed. The hotel's Oasis Lounge has live entertainment, recently a husband-and-wife team, Larry and Alice Trammell, billed as Larry T. and Alice.

"Sammy is just a glorified jukebox," says James Simons, the Hilton's food and beverage manager. "He can't mix with the audience the way Alice can."

Recalling Era of Luxury Liners

New York Times Service

NEW YORK — The remnants of an era are scattered. Statues that once adorned an ocean liner's elegant dining room have been found in a corner of a Long Island cemetery and near the pool of a Miami Beach hotel.

Murals that once greeted passengers in a grand entrance hall now hang in the lobby of a Manhattan office building.

In the years before World War II, passengers crossing the Atlantic had to travel by ship, and shipping lines competed fiercely for business with ever larger, more luxurious vessels.

Less than two decades after the war, however, the airplane ended the ocean liner's heyday. Public interest in the history of the ocean liner remained strong, but until recently there was no museum in the United States dedicated to preserving and chronicling the legacy of the great ships and the pageantry and public fascination that surrounded them.

Three years ago, an informal network of ship enthusiasts joined to create the Ocean Liner Museum in New York. Some had written books and given lectures about the liners, others simply were maritime history buffs, but all of them shared a common passion.

"The history of the ocean liner includes technological, social, romantic and cultural aspects, so its appeal is not surprising," said Walter Lord, a trustee of the museum and a writer whose works include "A Night to Remember," an account of the sinking of the Titanic. "There are people fascinated by ocean liners who have never seen or been on one in their lives."

With little money and no home for their museum, the trustees, working out of a small office at the Seamen's Church Institute on State Street in lower Manhattan, have assembled a remarkable collection

of artifacts and memorabilia. Some of the pieces were souvenirs purchased during their voyages, but most were bought at auctions and antique shops or from people who had acquired objects without knowing their historical significance.

Assembling such a collection involves meticulous detective work, according to John Maxtone-Graham, a trustee of the museum and author of "The Only Way to Cross," a history of the trans-Atlantic liners.

Maxtone-Graham's home is filled with the prizes of painstaking searches, including pieces of paneling from the British liner Mauritania, engine-room control lights and a chrome cherrywood cigarette box from the Normandie and a Hermes scarf designed especially for passengers on the France.

The apartment of Stephen S. Lash, the president of the museum and a senior vice president at Christie's auction house, contains his collection of original steamship posters and models.

Attracting financial support for the museum has been difficult, Maxtone-Graham said. The trustees have had to rely on their personal donations and on tax-deductible contributions from more than 100 people who have joined as charter members.

But while raising money for the museum has not been easy, the hardest task has been finding it a

home. Next winter the museum will sponsor its first exhibition, at the New York Historical Society, and it is conducting an oral history project on the passengers and crew members who sailed on the liners. But "it's difficult to run a museum without walls or a roof," Maxtone-Graham said; the museum's collection remains dispersed among the trustees' homes and offices.

The rotunda of the old Custom House on Bowling Green, with its Reginald Marsh murals of liners entering the port of New York and its site at the foot of New York harbor, would be an "ideal location" for the museum, Lash said. The museum has joined with several other cultural and commercial groups to apply for space in the Beaux-Arts landmark, vacant since 1971, when the federal government completed renovations.

Other possible sites for the museum include the old Staten Island Ferry terminal near Battery Park, the museum on the aircraft carrier Intrepid and the city's new Convention Center, Lash said.

The trustees do insist on a site in New York City, for reasons both historical and sentimental.

"New York was the western terminus of the liners, and it is the city most associated with their triumphs as well as their decline," Maxtone-Graham said. "For many millions of people, whether immigrants or tourists, the port of the city of New York was the first thing



John Maxtone-Graham

they saw of the New World. This is where the museum has to be," Lord agreed. After all, he said, "Ocean liners are to New York what the Mississippi riverboat is to New Orleans."

A Rare Puccini Performed in Italy

By William Weaver

International Herald Tribune

MONTEPULCIANO, Italy — Studiously avoiding the term "festival," this lovely Tuscan town calls its annual program of plays, opera, concerts, and other events a *cantieri*, or workshop. But while it certainly has a serious, purposeful spirit, the workshop also has its festive aspect. For just about a month, from early July to early August, the streets are decked with flags, local wine growers offer visitors free samples of their renowned *vinu nobile*, and the neighboring villages put on fairs featuring the gastronomic specialties of the area.

This year's workshop was dedicated to the theme of peace (a performance of Britten's "War Requiem" brought the musical activities to a close on Saturday); but the theme was broad enough to allow a wide range of offerings. One of the most interesting to the opera lover was a production of Giacomo Puccini's early "Edgar," perhaps the least performed of all this composer's stage work.

Originally heard at La Scala in 1889, Puccini's second opera was soon overshadowed by the masterpieces that made his fame; but "Edgar" — though the libretto is uncharacteristically grim and violent — already bears some of the Puccini trademarks, notably a constant, irresistible doomfulness that, supported by happy, inventive orchestration, makes the piece a delight to hear.

The Montepulciano orchestra, an international group assembled for the occasion, played remarkably well. The string section, in particular, showed an admirable crispness of attack, with the mellow sound the score demands. Jan Latham-Koenig conducted with tactful sensitivity (though both his players and singers were occasionally too loud for the small Teatro Policiano). The outstanding member of the cast — and the only Italian — was the baritone Gianluigi Senici, who has not only a warm, lyrical voice but also clear enunciation. As Fidilia, Zuzanna Dienes displayed an ample instrument, still only partially controlled. She delivered her two last-act arias feelingly, however, and deserved her applause. Raimondo Metre, in the title role, did more shouting than singing; and Helmut Gardow, the Tigrana, sprawled vocally as well as physically, not helped by an absurd hairdo or by Lorenzo Mariani's staging. Raoul Farolfi's set, a Victorian Gothic structure of arches meant to look like cast iron, was handsome, but not always appropriate.

This rare hearing of "Edgar" not only proved the opera to be enjoyable, but also suggested that a renewed, scholarly interest in Puccini's music is spreading.

Further evidence is the Congress of Puccini Studies scheduled this month at Torre del Lago, where a festival will also present the composer's very first opera, "Le Villi."

Nancy Drew, Hardy Boys on the Move

By Edwin McDowell

New York Times Service

NEW YORK — The Stratemeyer Syndicate, the fiction factory that for 78 years has turned out the adventures of Tom Swift, Nancy Drew, the Hardy Boys and the Bobsey Twins, has been purchased by Simon & Schuster. Those series are thought to be the most popular children's books of all time, having sold hundreds of millions of copies in 18 languages. Terms of the transaction were not disclosed.

Simon & Schuster has already begun developing books of Nancy

Drew and the Hardy Boys, who were created in 1930 and 1927, respectively. It brought the three youthful detectives together for the first time two years ago in "Super Sleuths," and will soon publish the second collection of both Nancy Drew ghost stories and Hardy Boys ghost stories. It has also published a Hardy Boys survival handbook.

The books have evolved over the years. Nancy Drew's age, for example, was raised from 16 to 18 after World War II, and her roadster became a convertible in the 1950s, and later a sports car. Frank and Joe Hardy had one year added to

their ages, so that they are now 18 and 17. They too drive sports cars.

In 1982, a Federal District Court ruled that Grosset & Dunlap, now part of G. P. Putnam's Sons, could continue publishing in hardcover the books that it had already published. That amounted to 56 Nancy Drew titles, 58 Hardy Boys titles and 72 titles of the Bobsey Twins.

Simon & Schuster may now publish all new stories in the series. Nancy Drew is now up to No. 75, the 81st and 82nd Hardy Boys titles are about to be published, and Simon & Schuster has published 11 new Bobsey Twins titles.

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Herald Tribune BUSINESS/FINANCE

J.S. Stocks
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Page 9

FUTURES AND OPTIONS

Young Markets Grow Up Amid Surge in Stock Prices

By H.J. MAIDENBERG
New York Times Service

NEW YORK — Last week's spectacular surge in stock prices and trading volume will long be remembered by stock-index futures and options traders as the time their young markets proved themselves to be more than esoteric speculative vehicles. Indeed, the index and options markets played a key role in the events of last week.

For example, these markets enabled pension funds, mutual funds and other institutions to move quickly and smoothly out of the huge cash reserves they had been accumulating since early January and, just as efficiently, leap into the stock market with both feet.

"Many institutions, which were the prime movers of the market, were able to use the index futures and options to 'pre-position' their purchases as well as hedge them against the resultant exposure," said Gregory M. Kipnis, manager of the stock index department at Donaldson Lufkin & Jenrette Inc.

Pre-positioning involves buying index futures and options over a period of days or even weeks before buying the actual stock. This serves several purposes. For one, the buyer can then move into the stock market without unduly driving up prices beforehand.

But if the large orders do provoke a bidding panic, as was the case last Friday, the higher prices the investor must pay may be largely offset by the profits made on the index futures and options and the stock options.

"The institutions and other large investors know that taking a large position, long or short, is a tricky operation; that prices can run away from them easily because all traders operate in a fishbowl," Mr. Kipnis said. "But by pre-positioning themselves in the index markets, they can avoid, in effect, chasing the prices of the stocks they want to buy or when they want to sell their holdings."

FOR individual investors, portfolios can be hedged by selling index futures or buying options puts. Holding huge positions in a wild market can be dangerous as well as unwise. Twice last Friday, Mr. Kipnis noted, the premium of the spot September index futures over the cash indexes narrowed to the point that some nervous investors feared the market was about to turn around. Normally, prices of index futures are at a premium over the actual index. This premium is based on a formula that reflects the difference between current interest rates and the dividend yield of the stocks in the underlying index.

Rather than start selling shares they had just bought, these nervous investors and quite a few traders sold short futures based on the Standard & Poor's 500 index, the American Stock Exchange's Major Market and Market Value indexes, and the New York Stock Exchange Composite Index. When their fears were allayed, these short positions in the futures were lifted quickly.

"Markets often don't wait for investors, and moving out of huge cash positions quickly can be awkward and time-consuming for institutions," Mr. Kipnis said. "But shifting from Treasury bills, bank certificates of deposit, and other cash reserves into securities can be done quite smoothly if the cash is first moved into index futures and options in a pre-positioning operation."

The institutions had quite a bundle of cash to shift last week. The action began after Paul A. Volcker, chairman of the Federal Reserve, told a congressional panel the week before that the central bank would not tighten credit in the foreseeable future. For example: Between early January, when rising interest rates

CURRENCY RATES

Rate interbank rates on Aug. 6, excluding fees.
Official fixings for Amsterdam, Brussels, Milan, Paris, New York rates at 2 P.M. EDT.

	U.S.	DM	FF	Yen	Swiss	Other
London	1.2365	1.2365	1.2365	1.2365	1.2365	1.2365
Amsterdam	1.2365	1.2365	1.2365	1.2365	1.2365	1.2365
Brussels	1.2365	1.2365	1.2365	1.2365	1.2365	1.2365
Milan	1.2365	1.2365	1.2365	1.2365	1.2365	1.2365
Paris	1.2365	1.2365	1.2365	1.2365	1.2365	1.2365
New York	1.2365	1.2365	1.2365	1.2365	1.2365	1.2365
Other	1.2365	1.2365	1.2365	1.2365	1.2365	1.2365

INTEREST RATES

Percentages are annualized rates on a 360-day basis.
Rates applicable to interbank deposits of \$1 million minimum (or equivalent).

	1 mo.	3 mos.	6 mos.	1 yr.
U.S. Govt. Bonds	11 1/2%	11 1/2%	11 1/2%	11 1/2%
Commercial Paper	11 1/2%	11 1/2%	11 1/2%	11 1/2%
Bank Deposits	11 1/2%	11 1/2%	11 1/2%	11 1/2%
Other	11 1/2%	11 1/2%	11 1/2%	11 1/2%

Key Money Rates

Percentages are annualized rates on a 360-day basis.
Rates applicable to interbank deposits of \$1 million minimum (or equivalent).

	1 mo.	3 mos.	6 mos.	1 yr.
U.S. Govt. Bonds	11 1/2%	11 1/2%	11 1/2%	11 1/2%
Commercial Paper	11 1/2%	11 1/2%	11 1/2%	11 1/2%
Bank Deposits	11 1/2%	11 1/2%	11 1/2%	11 1/2%
Other	11 1/2%	11 1/2%	11 1/2%	11 1/2%

GOLD PRICES

Percentages are annualized rates on a 360-day basis.
Rates applicable to interbank deposits of \$1 million minimum (or equivalent).

	1 mo.	3 mos.	6 mos.	1 yr.
U.S. Govt. Bonds	11 1/2%	11 1/2%	11 1/2%	11 1/2%
Commercial Paper	11 1/2%	11 1/2%	11 1/2%	11 1/2%
Bank Deposits	11 1/2%	11 1/2%	11 1/2%	11 1/2%
Other	11 1/2%	11 1/2%	11 1/2%	11 1/2%

To Our Readers

The NYSE highs and lows are on Page 12. The Amex highs and lows are on Page 14.

Market Closed

The Toronto Stock Exchange was closed Monday because of a holiday.

U.S. Deficit On Trade Is Record

Rate Is Running
Above Last Year's

The Associated Press

WASHINGTON — The U.S. foreign trade deficit hit a record \$26.3 billion from April through June, the Commerce Department reported Monday.

The new three-month record topped the former high mark of \$25.6 billion that was set in the first quarter.

If trading continued at the same rate for the second half of the year, there would be a deficit of \$103.8 billion for the year, far exceeding last year's record total of \$61.1 billion.

Commerce Secretary Malcolm Baldrige noted that deficits this year are running well above the \$15.3-billion quarterly average set last year.

He predicted that an even broader measure of trade, the current account, would likely double last year's deficit of \$41.6 billion. The current account gives the fullest picture of the country's trading performance because it measures not only trade in merchandise but also in services, which include investments by Americans overseas and foreign investment in the United States.

Mr. Baldrige's prediction for 1984 would mean that the current account deficit had soared ninefold in two years. The deficit in 1982 was \$9.2 billion.

Mr. Baldrige predicted improvement beginning in 1985 stemming from "slower growth in the United States, faster growth in foreign economies and some decline in the dollar."

The weaker performance in the second quarter was attributed partly to a 7-percent increase in petroleum imports. Other imports dropped 1 percent, the government said.

Also, U.S. sales abroad were down a slight 1 percent. The export decline was sharpest in agricultural categories, which were down 10 percent.

The \$9.2 billion recorded in agricultural sales reflected a 12-percent drop in soybeans and a 10-percent drop in corn.

The government blamed those decreases on low inventories brought about by last year's drought and the government's payment-in-kind acreage reduction program.

The average price of soybeans was up 5 percent, while corn rose 2 percent and the price of sunflower seeds was up 3 percent.

The factor that is cited most often for the country's foreign-trade problems is the high value of the dollar, which makes imports relatively inexpensive and U.S. goods more difficult to sell on foreign markets.

A separate Commerce Department report 10 days ago put the second quarter deficit at an even higher \$29.9 billion.

The new report comes up with a lower figure because such factors as military trade and the costs of shipping and insurance have not been included.

In 1982 and much of 1983, the competitive rhetoric was muted by a booming bull market. From late last year, the fight over attention, new listings and new products has intensified, however, as the securities industry comes to grips with a changing domestic and international competitive picture that is giving investors more options away from Wall Street.

The most recent flurry between the Amex and NASD organizations was launched by the Amex last month over the NASD's use of the phrase "national market system."

The NASD proposes to expand the number of companies in its over-the-counter national system from about 1,000 to more than 2,200. Trades in those so-called national stocks must be reported to the NASD's automatic system every minute; only volume and closing bid and asked prices need be reported for the rest of its listings.

The Amex and New York changes use specialists to make their deals.

How much the "national" label, used in Nasdaq literature and in most newspaper stock listings, really means is unclear. What is clear is that the over-the-counter market is thriving, at the expense of the NYSE to a limited extent and sure-

Briton Intends to Rebuild Kaiser

ITC Proposal
Will Help Him,
Analysts Say

By Thomas A. Hayes
New York Times Service

LOS ANGELES — The steel business on the West Coast of the United States has long been ruled by Japanese and South Korean producers, whose low labor costs and technical skills long ago brought the once-reigning Kaiser Steel Corp. to its knees.

Now, though, a British-born entrepreneur who is about to take over the Kaiser works in Fontana, 45 miles (72.5 kilometers) east of here, is confidently predicting that the combination of low costs and proximity to customers will enable him to overtake the leaders.

"We're looking for something on the order of 25 percent of the market within the first year, with most of it replacing imports," said Michael Wilkinson, president of newly formed California Steel Industries.

Many steel analysts think that Mr. Wilkinson, 46, who is a successful distributor and fabricator but untested in production, has a good chance of success. There are many reasons, they say, not the least of which is a tough stance at the International Trade Commission against subsidized imports.

Mr. Wilkinson, who owns 50 percent of California Steel, proceeded with a \$110-million offer for Kaiser's Fontana works after the ITC recommendation, in a 3-to-2 vote on July 11, several sanctions and quotas against steel imports. President Ronald Reagan has to decide whether to accept the ITC recommendations by Sept. 24.

Specifically, the ITC urged Mr. Reagan to set five-year import quotas of 4.4 percent to 31.8 percent depending on the product and year. It also recommended raising import duties after imports of steel totaling 1.5 million tons.

The threat of sanctions, analysts suggest, was one reason that Kawasaki Steel Corp., Japan's fourth-largest steelmaker, decided to join Mr. Wilkinson in making the bid to Kaiser, which was announced within days of the ITC decision.



The Fontana works, sold by Kaiser Steel to Michael Wilkinson, inset, president of California Steel.

Kawasaki, which had considered bidding for the Fontana works for more than a year with an Australian partner, owns 25 percent of California Steel. The other major partner, also with 25 percent, is Rio Doce Ltd., a subsidiary of the world's largest iron-ore producer, Companhia Vale do Rio Doce SA of Brazil.

The combination of Mr. Wilkinson's knowledge of West Coast steel markets, Kawasaki's technical strength and Rio Doce's low-cost iron ore "is quite powerful," said Scott Palm, a senior research associate at Charles River Associates, a consulting concern in Boston.

California Steel intends to buy raw, or semifinished, steel slabs from a Brazilian company in which Kawasaki holds a 14-percent stake, Companhia Siderurgica do Tubarao, then run it through rolling mills at Fontana.

Mr. Wilkinson said the mill primarily will be making coils, sheets, piping and construction steel at the plant. "Our biggest single advantage will be the ability to give people what they want when they want it," he said.

Mr. Palm of Charles River Associates said that imports had "just about all" of the market for products California Steel plans to make. According to the American Iron and Steel Institute, the overall figure is more than 50 percent of semifinished steel. Nationally, the total is about 25 percent.

U.S. Steel Corp. is the only company now making raw steel in the West, at its Utah Geneva works. However, several mini-mills, including one operated by Nucor Steel, make steel from scrap and have been profitable in the West.

Mr. Wilkinson heads Technim in Long Beach, California, a producer of sports, automotive wheel rims. He bought all his steel for Technim, and another company, a pipe maker, from Kaiser because it was so close, he said.

"We wanted to be able to deal with somebody where we were (Continued on Page 14, Col. 1)

Merrill Agrees To Buy Broker From Paribas

Compiled by Our Staff From Dispatches

NEW YORK — Merrill Lynch & Co. announced Monday that it had agreed in principle to buy the troubled New York securities firm Becker Paribas Inc. from Cie. de Financiere de Paribas for about \$100 million of Merrill Lynch shares.

Paribas, the state-owned French bank holding company, is to receive 3,150,000 shares of Merrill Lynch stock, the companies said. Merrill shares were trading Monday afternoon at around \$32.50 apiece. The companies said the price is subject to certain financial adjustments.

Becker Paribas is the 17th-largest U.S. securities firm and employs about 2,300 people in 19 offices in the United States and abroad. Paribas's involvement in the firm dates from 1974, when the French company and the British merchant bank S.G. Warburg & Co. agreed to expand their U.S. business, agreed to merge with A.G. Becker & Co., then a Chicago-based securities firm. Warburg last year sold its stake to Paribas, and earlier this year Paribas bought the remainder of Becker Paribas from employee-shareholders.

Merrill's announcement caught many analysts by surprise. "This makes no sense at all, given that Merrill Lynch is in the midst of a massive reorganization," said Joel Rosenthal, an analyst at Jesup & Lamont Securities Co.

"It's just a distraction from the important tasks at hand," Mr. Rosenthal said. Merrill Lynch, the biggest U.S. securities firm, recently announced plans to trim its 38,000-member work force by 2,500 employees in 1984 and seek additional cost cuts. Two weeks ago, the firm reported a second-quarter loss of \$32.8 million, compared with profit of \$112 million a year earlier. Before accounting for income tax-related benefits, the firm had a 1984 second-quarter loss of \$90.8 million, the largest operating deficit in its history.

Noting that Becker Paribas "has had severe financial problems recently," Mr. Rosenthal said Mer-

rell's acquisition "could be a major drain on the company's funds."

Paribas recently injected about \$80 million into Becker Paribas, but analysts said the firm continued to suffer substantial losses, primarily in bond trading. Becker Paribas had about \$176 million in capital at the end of 1983, but that figure has been trimmed by heavy losses in the first half, analysts said.

"There's no capability that Becker has that Merrill Lynch doesn't already have several times over," Mr. Rosenthal said.

But James Hanbury, an analyst for Wertheim & Co., said Becker Paribas's commercial paper and other money market operations would complement those of Merrill. Commercial paper issues are short-term promissory notes with which top-rated corporations can raise funds.

Dollar Rallies Against Mark

Reuters

LONDON — The dollar staged a 1 1/2-percentage rally Monday but slipped against other major currencies. Gold closed higher.

The dollar closed in Frankfurt at 2.8809 Deutsche marks, well up from 2.865 at Friday's close. In London, the dollar reached a 2.8880 DM high in the afternoon. In Paris, the dollar was off slightly against the French franc at 8.797, compared with 8.825 Friday.

The dollar also fell in Tokyo to 241.60 yen from 243.875. In London, the pound traded at \$1.3205, down from \$1.323.

Gold prices were slightly higher, maintaining Friday's surge that pushed gold up \$5 to \$6 an ounce in Zurich and London. Bullion closed Monday in Zurich, the main trading center, at a bid \$349.50 a troy ounce, up from \$349.25 late Friday.

Silver bullion traded in London at a bid \$7.675 an ounce, up from \$7.60.

New Orders Fall In West Germany

Reuters

BONN — West German manufacturing orders fell 8.8 percent in June, seasonally adjusted, after rising one percent in May, the Economics Ministry said Monday.

The ministry said the June figures, which are preliminary, showed that orders were hurt considerably by the seven-week strike by metalworkers that was resolved at the end of June. In June, orders were 5 percent below the level of June last year.

Capital-goods makers suffered an especially large fall of 13 percent from the May level, with orders to vehicle producers — whose production was forced to a virtual standstill by the labor trouble — down 30 percent.

Pact Being Developed on Flags of Convenience

By Brij Khindaria
International Herald Tribune

GENEVA — About 100 countries have reached a broad consensus recognizing the need for a new international agreement to regulate the use of flags of convenience in shipping. But the terms have yet to be worked out.

The consensus emerged at a United Nations conference on conditions for the registration of ships that ended last Saturday night. The conference president, Lamine Fadika of the Ivory Coast, said the talks had greatly improved prospects for a final agreement when the conference resumes next Jan. 28. Until then, Mr. Fadika is to hold informal consultations with various countries.

The new agreement would ensure that owners of ships flying such flags of convenience as those of Liberia and Panama could be easily traced and punished for violations of shipping-safety codes or for ill treatment of sailors.

Ships flying flags of convenience carry much of the world's petroleum and other minerals. They are usually not owned by nationals of the country whose flag is flying over the ship.

One estimate projected the additional transport costs to companies using such ships at least \$1 billion if flags of convenience are phased out. Ships flying flags of convenience generally have lower operating and registration costs than those registered to the countries whose nationals actually own them, such as a U.S.-registered ship

owned by a American company. Sources said discussions now center on regulating the conditions under which flags of convenience are used rather than on eliminating the use of them.

Mr. Fadika said an accord had been reached on most of the contents of an agreement. Among agreed-upon elements were the need for countries registering flags of convenience to have perhaps the best known — to have an efficient maritime administration that can pursue and penalize shipowners that fail to obey international and national laws regarding safety of navigation, prevention of pollution and working conditions.

It was also agreed that the countries offering flags of convenience should hand over information

about shipowners and operators to other governments when needed. Countries such as Liberia have been accused of not having sufficient information about ownership and of using their flags simply to earn registration fees without enforcing maritime rules.

Disagreement persisted on two key points, Mr. Fadika said. One concerned Western insistence that the accord should not lay down rules concerning participation by the flag state in ships' ownership or manning. The second concerned Third World insistence that the planned accord should be mandatory, as in a treaty or convention, rather than a set of guidelines that might not be obeyed voluntarily by shippers or by states offering flags of convenience.

On the other hand, Amex officials are proud that the Amex index has jumped by 196.24 percent over the last five years, compared with gains of 136.94 percent for the over-the-counter composite and 77.55 percent for the New York composite indexes.

But Mr. Macklin claimed the Amex has been pre-empted from their No. 2 position in the U.S. markets. The NYSE's Mr. Phalen warned that the Amex's niche as a stock exchange may be companies that do not qualify for listing on the NYSE, and that as the NASD improves, the specialness of its market will come under attack.

Mr. Phalen does not view the Amex as his principal competitor.

"We are going to have to operate in a very competitive world and so is the NASD, and so we will see out there some period of time for competition between our two markets for listings," he said.

The Amex reports daily trading volume at 4 million to 4.5 million shares a day. By almost any sales and profits measure, the Amex reported record results last year.

"Things haven't changed that much," said Arthur Levitt Jr., chairman of the Amex. "The institutional market is the same. Companies still view the American Exchange as a logical step in terms of their corporate maturity."

Amex's vice president, Walter H. Liebman, adds: "Our companies

are the companies people want to acquire."

However, more and more companies are in fact bypassing the Amex, jumping directly from the over-the-counter market, the overwhelming initial trading vehicle for smaller new public companies, to the NYSE. Further complicating the Amex's future is the likelihood that the NYSE soon will ease its restrictions for member companies, a move that would open the exchange to dozens of new companies.

New York officials say that about two-thirds of their new listings used to come from the Amex, while at present that figure is down to about 40 percent.

Biggest U.S. Stock Markets Fight to Lure Investors as Rivalry Intensifies

By Merrill Brown
Washington Post Service

NEW YORK — Behind the backslapping on Wall Street over last week's buying spree, a feud is escalating among the three largest U.S. stock markets, feeling the pinch of tougher competition for investors' dollars.

The battle has stirred a whirlwind of statistics, speeches and paper by the industry leader, the New York Stock Exchange, and its rivals, the American Stock Exchange and the Washington-based National Association of Securities Dealers.

In 1982 and much of 1983, the competitive rhetoric was muted by a booming bull market. From late last year, the fight over attention, new listings and new products has intensified, however, as the securities industry comes to grips with a changing domestic and international competitive picture that is giving investors more options away from Wall Street.

The most recent flurry between the Amex and NASD organizations was launched by the Amex last month over the NASD's use of the phrase "national market system."

The NASD proposes to expand the number of companies in its over-the-counter national system from about 1,000 to more than 2,200. Trades in those so-called national stocks must be reported to the NASD's automatic system every minute; only volume and closing bid and asked prices need be reported for the rest of its listings.

The Amex and New York changes use specialists to make their deals.

How much the "national" label, used in Nasdaq literature and in most newspaper stock listings, really means is unclear. What is clear is that the over-the-counter market is thriving, at the expense of the NYSE to a limited extent and sure-

ly at the expense of the Amex. In a letter to the Securities and Exchange Commission, the president of Amex, Robert J. Birnbaum wrote that, in the history of the securities markets, "no one to our knowledge has created so great a public relations wave out of so modest a regulatory ripple as the NASD has created out of 'Tier 2' securities being designated 'national market system'."

Mr. Birnbaum went on to call the national-market-system designation "misleading and anticompetitive" and said the "confusion and misunderstanding" its use causes has "torn up the fair field of competition among the exchanges and the OTC market."

"The NASD is now engaged in unfair competition," Mr. Birnbaum wrote. "It is taking statutory and regulatory designations—national market system and NMS—and attempting (unfortunately at times, successfully) to identify them in common perception exclusively with the transaction reporting segment of the Nasdaq (National Association of Securities Dealers Automated Quotations) market."

Mr. Birnbaum suggested that the NASD use a term such as "qualified securities" as the listing heading for the stocks that qualify for this designation.

The New York exchange is not above the name-game fray either.

"We will submit a paper saying that that's very naughty," said the chairman of the NYSE, John J. Phelan Jr. "The best they are is an over-the-counter national system. They have a long way to go."

NASD's president, Gordon S. Macklin, has a different view. "We're not about to change our name because they are unhappy about it," he said. "I don't think the name made the market. The success at Nasdaq comes from liquidity and efficiency. It's a generic name."

If the growth in listings is the measure, there is no disputing Nasdaq's success. Since 1980, Nasdaq listings have grown from 2,894 to 4,083, while New York listings have dropped slightly, from 1,579 to about 1,550, and Amex listings have dropped more significantly, from 892 to 809. This year Nasdaq has already exceeded its 1980 total trading volume of 6.6 billion shares, reporting a June 29 figure of 7.45 billion. In 1974, the fledgling Nasdaq's volume was 1.17 billion shares.

NYSE volume, buoyed by the 1982 and 1983 bull market, jumped to 21.58 billion shares last year from 3.5 billion shares in 1974. So far this year, volume on the NYSE is at 11.46 billion. On the Amex, volume to date is at 2.01 billion shares compared with 758 million last year.

On the other hand, Amex officials are proud that the Amex index has jumped by 196.24 percent over the last five years, compared with gains of 136.94 percent for the over-the-counter composite and 77.55 percent for the New York composite indexes.

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NYSE Most Actives	
Not available at press time.	

Dow Jones Averages	
Not available at press time.	
NYSE Dividends	
Not available at press time.	

NYSE Index	
Composite	175,000
Industrial	175,000
Transportation	175,000
Finance	175,000
Commodities	175,000
Energy	175,000
Metals	175,000
Chemicals	175,000
Food	175,000
Textiles	175,000
Apparel	175,000
Shoes	175,000
Furniture	175,000
Electronics	175,000
Telecommunications	175,000
Healthcare	175,000
Real Estate	175,000
Utilities	175,000
Government	175,000
Foreign	175,000
Options	175,000
Futures	175,000
Commodities	175,000
Energy	175,000
Metals	175,000
Chemicals	175,000
Food	175,000
Textiles	175,000
Apparel	175,000
Shoes	175,000
Furniture	175,000
Electronics	175,000
Telecommunications	175,000
Healthcare	175,000
Real Estate	175,000
Utilities	175,000
Government	175,000
Foreign	175,000
Options	175,000
Futures	175,000

Monday's NYSE Closing	
Vol. at 3 P.M.	175,000
Prev. 3 P.M. vol.	282,720,000
Prev. consolidated close	275,380,000
Tables include the nationwide prices up to the closing on Wall Street	

AMEX Dividends	
Not available at press time.	
Standard & Poor's Index	
High	175,000
Low	175,000
Close	175,000
3 P.M.	175,000
Industries	175,000
Utilities	175,000
Finance	175,000
Commodities	175,000

NASDAQ Index	
Composite	175,000
Industrial	175,000
Transportation	175,000
Finance	175,000
Commodities	175,000
Energy	175,000
Metals	175,000
Chemicals	175,000
Food	175,000
Textiles	175,000
Apparel	175,000
Shoes	175,000
Furniture	175,000
Electronics	175,000
Telecommunications	175,000
Healthcare	175,000
Real Estate	175,000
Utilities	175,000
Government	175,000
Foreign	175,000
Options	175,000
Futures	175,000

AMEX Most Actives	
Not available at press time.	
AMEX Stock Index	
High	175,000
Low	175,000
Close	175,000
3 P.M.	175,000
Industries	175,000
Utilities	175,000
Finance	175,000
Commodities	175,000

12 Month	High	Low	Stock	Div.	Yld.	PE	52	High	Low	Close	Chg.
27	134	134	AAP	1.00	4.0	15.0	10	134	134	134	+
28	134	134	AMC	1.00	4.0	15.0	10	134	134	134	+
29	134	134	AMN	1.00	4.0	15.0	10	134	134	134	+
30	134	134	AMT	1.00	4.0	15.0	10	134	134	134	+
31	134	134	AMX	1.00	4.0	15.0	10	134	134	134	+
32	134	134	AND	1.00	4.0	15.0	10	134	134	134	+
33	134	134	AO	1.00	4.0	15.0	10	134	134	134	+
34	134	134	AO	1.00	4.0	15.0	10	134	134	134	+
35	134	134	AO	1.00	4.0	15.0	10	134	134	134	+
36	134	134	AO	1.00	4.0	15.0	10	134	134	134	+
37	134	134	AO	1.00	4.0	15.0	10	134	134	134	+
38	134	134	AO	1.00	4.0	15.0	10	134	134	134	+
39	134	134	AO	1.00	4.0	15.0	10	134	134	134	+
40	134	134	AO	1.00	4.0	15.0	10	134	134	134	+
41	134	134	AO	1.00	4.0	15.0	10	134	134	134	+
42	134	134	AO	1.00	4.0	15.0	10	134	134	134	+
43	134	134	AO	1.00	4.0	15.0	10	134	134	134	+
44	134	134	AO	1.00	4.0	15.0	10	134	134	134	+
45	134	134	AO	1.00	4.0	15.0	10	134	134	134	+
46	134	134	AO	1.00	4.0	15.0	10	134	134	134	+
47	134	134	AO	1.00	4.0	15.0	10	134	134	134	+
48	134	134	AO	1.00	4.0	15.0	10	134	134	134	+
49	134	134	AO	1.00	4.0	15.0	10	134	134	134	+
50	134	134	AO	1.00	4.0	15.0	10	134	134	134	+
51	134	134	AO	1.00	4.0	15.0	10	134	134	134	+
52	134	134	AO	1.00	4.0	15.0	10	134	134	134	+
53	134	134	AO	1.00	4.0	15.0	10	134	134	134	+
54	134	134	AO	1.00	4.0	15.0	10	134	134	134	+
55	134	134	AO	1.00	4.0	15.0	10	134	134	134	+
56	134	134	AO	1.00	4.0	15.0	10	134	134	134	+
57	134	134	AO	1.00	4.0	15.0	10	134	134	134	+
58	134	134	AO	1.00	4.0	15.0	10	134	134	134	+
59	134	134	AO	1.00	4.0	15.0	10	134	134	134	+
60	134	134	AO	1.00	4.0	15.0	10	134	134	134	+
61	134	134	AO	1.00	4.0	15.0	10	134	134	134	+
62	134	134	AO	1.00	4.0	15.0	10	134	134	134	+
63	134	134	AO	1.00	4.0	15.0	10	134	134	134	+
64	134	134	AO	1.00	4.0	15.0	10	134	134	134	+
65	134	134	AO	1.00	4.0	15.0	10	134	134	134	+
66	134	134	AO	1.00	4.0	15.0	10	134	134	134	+
67	134	134	AO	1.00	4.0	15.0	10	134	134	134	+
68	134	134	AO	1.00	4.0	15.0	10	134	134	134	+
69	134	134	AO	1.00	4.0	15.0	10	134	134	134	+
70	134	134	AO	1.00	4.0	15.0	10	134	134	134	+
71	134	134	AO	1.00	4.0	15.0	10	134	134	134	+
72	134	134	AO	1.00	4.0	15.0	10	134	134	134	+
73	134	134	AO	1.00	4.0	15.0	10	134	134	134	+
74	134	134	AO	1.00	4.0	15.0	10	134	134	134	+
75	134	134	AO	1.00	4.0	15.0	10	134	134	134	+
76	134	134	AO	1.00	4.0	15.0	10	134	134	134	+
77	134	134	AO	1.00	4.0	15.0	10	134	134	134	+
78	134	134	AO	1.00	4.0	15.0	10	134	134	134	+
79	134	134	AO	1.00	4.0	15.0	10	134	134	134	+
80	134	134	AO	1.00	4.0	15.0	10	134	134	134	+
81	134	134	AO	1.00	4.0	15.0	10	134	134	134	+
82	134	134	AO	1.00	4.0	15.0	10	134	134	134	+
83	134	134	AO	1.00	4.0	15.0	10	134	134	134	+
84	134	134	AO	1.00	4.0	15.0	10	134	134	134	+
85	134	134	AO	1.00	4.0	15.0	10	134	134	134	+
86	134	134	AO	1.00	4.0	15.0	10	134	134	134	+
87	134	134	AO	1.00	4.0	15.0	10	134	134	134	+
88	134	134	AO	1.00	4.0	15.0	10	134	134	134	+
89	134	134	AO	1.00	4.0	15.0	10	134	134	134	+
90	134	134	AO	1.00	4.0	15.0	10	134	134	134	+
91	134	134	AO	1.00	4.0	15.0	10	134	134	134	+
92	134	134	AO	1.00	4.0	15.0	10	134	134	134	+
93	134	134	AO	1.00	4.0	15.0	10	134	134	134	+
94	134	134	AO	1.00	4.0	15.0	10	134	134	134	+
95	134	134	AO	1.00	4.0	15.0	10	134	134	134	+
96	134	134	AO	1.00	4.0	15.0	10	134	134	134	+
97	134	134	AO	1.00	4.0	15.0	10	134	134	134	+
98	134	134	AO	1.00	4.0	15.0	10	134	134	134	+
99	134	134	AO	1.00	4.0	15.0	10	134	134	134	+
100	134	134	AO	1.00	4.0	15.0	10	134	134	134	+

NYSE Trading Is Again Heavy

(Continued from Page 1)

11 1/2 percent Friday before the beginning Tuesday of the Treasury's three-day \$16.75-billion quarterly refunding program.

"The market started out strongly but a tug-of-war had developed between institutions with a lot of cash having to get invested versus the institutions that were fully invested selling a bit," said George Pirone of Dreyfus Corp.

"This is why the market pulled back some," he said. "But the overall showing is strong and I think investors will use the pullback as an opportunity to buy."

Ralph Acampora of Kidder Peabody said he thought this surge might be "bigger than that of August 1982, judging by the size of it already."

"A lot of people remember waiting in August 1982 for the market to pull back but that didn't happen and they missed out," he said. "They don't want to be left out this time."

On the trading floor, AT&T, which rose 1 1/4 last week, was one of the most active NYSE-listed issues. AT&T introduced station-to-station telephone service to China.

Merrill Lynch, which surged 6 1/4 last week, was higher in active trading. Merrill Lynch agreed to buy A.G. Becker, Fairfax.

Among the other brokerages receiving attention were American Express, E.F. Hutton, First Boston, Phibro-Salomon Brothers, Paine Webber, DJJ Securities and Advent.

Chrysler, General Motors and Ford were active and higher. An analyst suggested GM and Ford might buy back some of their own shares.

IBM, which climbed 1 1/4 last week, was strong most of the day in heavy trading. IBM introduced a new "expert system" program.

In the high-technology sector, Teledyne, Texas Instruments, Hewlett-Packard and Motorola were higher at one time.

Among the blue-chip issues in the spotlight at the outset were Allied Corp. (ex-dividend), Alcoa, General Electric, Minnesota Mining & Manufacturing, Procter & Gamble and Union Carbide.

Pneumo Corp. (ex-dividend) surged in the early going. Pneumo said it was engaged in merger talks with an unidentified company.

West Co. attracted attention after announcing plans to buy back 200,000 of its own shares.

Loews Corp., which reported second-quarter operating earnings of \$2.11 a share against \$2.37 a year ago, was active. Loews dropped out of the bidding for Conrail after a disagreement with employees of the railroad unit.

Allegheny Corp. and Norfolk Southern were higher in the early going. Both are leading contenders to take over Conrail.

MCA Corp. headed lower after reporting second-quarter earnings of 42 cents a share against 78 cents a year ago.

Canadian Pacific, which reported second-quarter earnings of \$1.36 a share against 40 cents a year ago, was higher at the outset.

Carlsberg Corp. gained ground after boosting its dividend payout to 25 1/2 cents a share from 24 cents.

12 Month	High	Low	Stock	Div.	Yld.	PE	52	High	Low	Close	Chg.
10/4/94	177	177	Amgen	0.12	16.5	20.7	2602	177	177	177	+
11/1/94	177	177	Amgen	0.12	16.5	20.7	2602	177	177	177	+
11/8/94	177	177	Amgen	0.12	16.5	20.7	2602	177	177	177	+
11/15/94	177	177	Amgen	0.12	16.5	20.7	2602	177	177	177	+
11/22/94	177	177	Amgen	0.12	16.5	20.7	2602	177	177	177	+
11/29/94	177	177	Amgen	0.12	16.5	20.7	2602	177	177	177	+
12/6/94	177	177	Amgen	0.12	16.5	20.7	2602	177	177	177	+
12/13/94	177	177	Amgen	0.12	16.5	20.7	2602	177	177	177	+
12/20/94	177	177	Amgen	0.12	16.5	20.7	2602	177	177	177	+
12/27/94	177	177	Amgen	0.12	16.5	20.7	2602	177	177	177	+
1/3/95	177	177	Amgen	0.12	16.5	20.7	2602	177	177	177	+
1/10/95	177	177	Amgen	0.12	16.5	20.7	2602	177	177	177	+
1/17/95	177	177	Amgen	0.12	16.5	20.7	2602	177	177	177	+
1/24/95	177	177	Amgen	0.12	16.5	20.7	2602	177	177	177	+
1/31/95	177	177	Amgen	0.12	16.5	20.7	2602	177	177	177	+
2/7/95	177	177	Amgen	0.12	16.5	20.7	2602	177	177	177	+
2/14/95	177	177	Amgen	0.12	16.5	20.7	2602	177	177	177	+
2/21/95	177	177	Amgen	0.12	16.5	20.7	2602	177	177	177	+
2/28/95	177	177	Amgen	0.12	16.5	20.7	2602	177	177	177	+
3/6/95	177	177	Amgen	0.12	16.5	20.7	2602	177	177	177	+
3/13/95	177	177	Amgen	0.12	16.5	20.7	2602	177	177	177	+
3/20/95	177	177	Amgen	0.12	16.5	20.7	2602	177	177	177	+
3/27/95	177	177	Amgen	0.12	16.5	20.7	2602	177	177	177	+
4/3/95	177	177	Amgen	0.12	16.5	20.7	2602	177	177	177	+
4/10/95	177	177	Amgen	0.12	16.5	20.7	2602	177	177	177	+
4/17/95	177	177	Amgen	0.12	16.5	20.7	2602	177	177	177	+
4/24/95	177	177	Amgen	0.12	16.5	20.7	2602	177	177	177	+
5/1/95	177	177	Amgen	0.12	16.5	20.7	2602	177	177	177	+
5/8/95	177	177	Amgen	0.12	16.5	20.7	2602	177	177	177	+
5/15/95	177	177	Amgen	0.12	16.5	20.7	2602	177	177	177	+
5/22/95	177	177	Amgen	0.12	16.5	20.7	2602	177	177	177	+
5/29/95	177	177	Amgen	0.12	16.5	20.7	2602	177	177	177	+
6/5/95	177	177	Amgen	0.12	16.5	20.7	2602	177	177	177	+
6/12/95	177	177	Amgen	0.12	16.5	20.7	2602	177	177	177	+
6/19/95	177	177	Amgen	0.12	16.5	20.7	2602	177	177	177	+
6/26/95	177	177	Amgen	0.12	16.5	20.7	2602	177	177	177	+
7/3/95	177	177	Amgen	0.12	16.5	20.7	2602	177	177	177	+
7/10/95	177	177	Amgen	0.12	16.5	20.7	2602	177	177	177	+
7/17/95	177	177	Amgen	0.12	16.5	20.7	2602	177	177	177	+
7/24/95	177	177	Amgen	0.12	16.5	20.7	2602	177	177	177	+
7/31/95	177	177	Amgen	0.12	16.5	20.7	2602	177	177	177	+
8/7/95	177	177	Amgen	0.12	16.5	20.7	2602	177	177	177	+
8/14/95	177	177	Amgen	0.12	16.5	20.7	2602	177	177	177	+
8/21/95	177	177	Amgen	0.12	16.5	20.7	2602	177	177	177	+
8/28/95	177	177	Amgen	0.12	16.5	20.7	2602	177	177	177	+
9/4/95	177	177	Amgen	0.12	16.5	20.7	2602	177	177	177	+
9/11/95	177	177	Amgen	0.12	16.5	20.7	2602	177	177	177	+
9/18/95	177	177	Amgen	0.12	16.5	20.7	2602	177	177	177	+
9/25/95	177	177	Amgen	0.12	16.5	20.7	2602	177	177	177	+
10/2/95	177	177	Amgen	0.12	16.5	20.7	2602	177	177	177	+
10/9/95	177	177	Amgen	0.12	16.5	20.7	2602	177	177	177	+
10/16/95	177	177	Amgen	0.12	16.5	20.7	2602	177	177	177	+
10/23/95	177	177	Amgen	0.12	16.5	20.7	2602	177	177	177	+
10/30/95	177	177	Amgen	0.12	16.5	20.7	2602	177	177	177	+
11/6/95	177	177	Amgen	0.12	16.5	20.7	2602	177	177	177	+
11/13/95	177	177	Amgen	0.12	16.5	20.7	2602	177	177	177	+
11/20/95	177	177	Amgen	0.12	16.5	20.7	2602	177	177	177	+
11/27/95	177	177	Amgen	0.12	16.5	20.7	2602	177	177	177	+
12/4/95	177	177	Amgen	0.12	16.5	20.7	2602	177	177	177	+
12/11/95	177	177	Amgen	0.12	16.5	20.7	2602	177	177	177	+
12/18/95	177	177	Amgen	0.12	16.5	20.7	2602	177	177	177	+
12/25/95	177	177	Amgen	0.12	16.5	20.7	2602	177	177	177	+
1/1/96	177	177	Amgen	0.12	16.5	20.7	2602	177	177	177	+
1/8/96	177	177	Amgen	0.12	16.5	20.7	2602	177	177	177	+
1/15/96	177	177	Amgen	0.12	16.5	20.7	2602	177	177	177	+
1/22/96	177	177	Amgen	0.12	16.5	20.7	2602	177	177	177	+
1/29/96	177	177	Amgen	0.12	16.5	20.7	2602	177	177	177	+
2/5/96	177	177	Amgen	0.12	16.5	20.7	2602	177	177	177	+
2/12/96	177	177	Amgen	0.12	16.5	20.7	2602	177	177	177	+
2/19/96	177	177	Amgen	0.12	16.5	20.7	2602	177	177	177	+
2/26/96	177	177	Amgen	0.12	16.5	20.7	2602	177	177	177	+
3/5/96	177	177	Amgen	0.12	16.5	20.7	2602	177	177	177	+
3/12/96	177	177	Amgen	0.12	16.5	20.7	2602	177	177	177	+
3/19/96	177	177	Amgen	0.12	16.5	20.7	2602	177	177	177	+
3/26/96	177	177	Amgen	0.12	16.5	20.7	2602	177	177	177	+
4/2/96	177	177	Amgen	0.12	16.5	20.7	2602	177	177	177	+
4/9/96	177	177	Amgen	0.12	16.5	20.7	2602	177	177	177	+
4/16/96	177	177	Amgen	0.12	16.5	20.7	2602	177	177	177	+
4/23/96	177	177	Amgen	0.12	16.5	20.7	2602	177	177	177	+
4/30/96	177	177	Amgen	0.12	16.5	20.7	2602	177	177	177	+
5/7/96	177	177	Amgen	0.12	16.5	20.7	2602	177	177	177	+
5/14/96	177	177	Amgen	0.12	16.5	20.7	2602	177	177	177	+
5/21/96	177	177	Amgen	0.12	16.5	20.7	2602	177	177	177	+
5/28/96	177	177	Amgen	0.12	16.5	20.7	2602	177	177	177	+
6/4/96	177	177	Amgen	0.12	16.5	20.7	2602	177	177	177	+
6/11/96	177	177	Amgen	0.12	16.5	20.7	2602	177	177	177	+
6/18/96	177	177	Amgen	0.12	16.5	20.7	2602	177	177	177	+
6/25/96	177	177	Amgen	0.12	16.5	20.7	2602	177	177	177	+
7/2/96	177	177	Amgen	0.12	16.5	20.7	2602	177	177	177	+
7/9/96	177	177	Amgen	0.12	16.5	20.7	2602	177	177	177	+
7/16/96	177	177	Amgen	0.12	16.5	20.7	2602	177	177	177	+
7/23/96	177	177	Amgen	0.12	16.5	20.7	2602	177	177	177	+
7/30/96	177	177	Amgen	0.12	16.5	20.7	2602	177	177	177	+
8/6/96	177	177	Amgen	0.12	16.5	20.7	2602	177	177	177	+
8/13/96	177	177	Amgen	0.12	16.5	20.7	2602	177	177	177	+
8/20/96	177	177	Amgen	0.12	16.5	20.7	2602	177	177	177	+
8/27/96	177	177	Amgen	0.12	16.5	20.7	2602	177	177	177	+
9/3/96	177	177	Amgen	0.12	16.5	20.7	2602	177	177	177	+
9/10/96	177	177	Amgen	0.12	16.5	20.7	2602	177	177	177	+
9/17/96	177	177	Amgen	0.12	16.5	20.7	2602	177	177	177	+
9/24/96	177	177	Amgen	0.12	16.5	20.7	2602	177	177	177	+
10/1/96	177	177	Amgen	0.12	16.5	20.7	2602	177	177	177	+
10/8/96	177	177	Amgen	0.12	16.5	20.7	2602	177	177	177	+
10/15/96	177	177	Amgen	0.12	16.5	20.7	2602	177	177	177	+
10/22/96	177	177	Amgen	0.12	16.5	20.7	2602	177	177	177	+
10/29/96	177	177	Amgen	0.12	16.5	20.7	2602	177	177	177	+
11/5/96	177	177	Amgen	0.12	16.5	20.7	2602	177	177	177	+
11/12/96	177	177	Amgen	0.12	16.5	20.7	2602	177	177	177	+
11/19/96	177	177	Amgen	0.12	16.5	20.7	2602	177	177	177	+
11/26/96	177	177	Amgen	0.12	16.5	20.7	2602	177	177	177	+
12/3/96	177	177	Amgen	0.12	16.5	20.7	2602	177	177	177	+
12/10/96	177	177	Amgen	0.12	16.5	20.7	2602	177	177	177	+
12/17/96	177	177	Amgen	0.12	16.5	20.7	2602	177	177	177	+
12/24/96	177	177	Amgen	0.12	16.5	20.7	2602	177	177	177	+
12/31/96	177	177	Amgen	0.12	16.5	20.7	2602	177	177	177	+
1/7/97	177	177	Amgen	0.12	16.5	20.7	2602	177	177	177	+
1/14/97	177	177	Amgen	0.12	16.5	20.7	2602	177	177	177	+
1/21/97	177	177	Amgen	0.12	16.5	20.7	2602	177	177	177	+
1/28/97	177	177									

